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DEFENSE STRATEGY REVIEW

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES

UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

JUNE 21, 2001

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DEFENSE STRATEGY REVIEW

THURSDAY, JUNE 21, 2001

**U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, DC.***

The committee met, pursuant to notice, at 9:04 a.m. in room SH-216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Byrd, Lieberman, Cleland, Landrieu, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Warner, Smith, Inhofe, Roberts, Allard, Sessions, Collins, and Bunning.

Committee staff members present: David S. Lyles, staff director; Christine E. Cowart, chief clerk; and Anita R. Raiford, deputy chief clerk.

Majority staff members present: Daniel J. Cox, Jr., professional staff member; Madelyn R. Creedon, counsel; Richard D. DeBobes, counsel; Evelyn N. Farkas, professional staff member; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; and Gerald J. Leeling, counsel.

Minority staff members present: Romie L. Brownlee, minority staff director; Judith A. Ansley, deputy staff director for the minority; Charles W. Alsup, professional staff member; Edward H. Edens IV, professional staff member; Brian R. Green, professional staff member; William C. Greenwalt, professional staff member; Gary M. Hall, professional staff member; Mary Alice A. Hayward, professional staff member; Ambrose R. Hock, professional staff member; George W. Lauffer, professional staff member; Thomas L. MacKenzie, professional staff member; Cord A. Sterling, professional staff member; and Scott W. Stucky, minority counsel.

Staff assistants present: Thomas C. Moore, Jennifer L. Naccari, and Michele A. Traficante.

Committee members' assistants present: Menda S. Fife, assistant to Senator Kennedy; Christina Evans and Terrence E. Sauvain, assistants to Senator Byrd; Frederick M. Downey, assistant to Senator Lieberman; Andrew Vanlandingham, assistant to Senator Cleland; Marshall A. Hevron, assistant to Senator Landrieu; Elizabeth King, assistant to Senator Reed; Davelyn Noelani Kalipi, assistant to Senator Akaka; William K. Sutey, assistant to Senator Bill Nelson; Eric Pierce, assistant to Senator Ben Nelson; Neal Orringer, assistant to Senator Carnahan; Brady King, assistant to Senator Dayton; Christopher J. Paul, assistant to Senator McCain; Margaret Hemenway, assistant to Senator Smith; George M. Bernier III, assistant to Senator Santorum; Robert Alan McCurry,

assistant to Senator Roberts; Douglas Flanders, assistant to Senator Allard; Arch Galloway II, assistant to Senator Sessions; Kristine Fauser, assistant to Senator Collins; and David Young, assistant to Senator Bunning.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. The committee will come to order. We meet this morning to receive testimony on the Defense Strategy Review from Secretary of Defense Donald Rumsfeld and Chairman of the Joint Chiefs of Staff General Hugh Shelton. This is the first time Secretary Rumsfeld has testified before Congress since his confirmation, and I want to welcome him and General Shelton to our committee.

Secretary Rumsfeld has indicated that his ongoing defense strategy review is designed to think through critical questions that shape our Armed Forces, including the types of threats that our military forces need to be prepared to face today and in the future, and about how our military forces should be organized and equipped to meet those threats.

As stated, the results of this review will be folded into the Quadrennial Defense Review (QDR), which will shape our national defense strategy as well as the administration's plans for force structure, force modernization, and infrastructure. The QDR in turn will play a major role in shaping the administration's defense budget decisions, beginning with fiscal year 2003.

I agree with the Secretary's view that we need to engage our brains before we open our wallets. Our defense budget should surely be driven by a realistic strategy, and not the other way around. Today, we embark on the first step in our committee's dialogue with the Secretary on the national defense strategy.

The Secretary has emphasized his views remain preliminary at this point, and that he is not yet ready to address all of the force structure, acquisition, and infrastructure decisions that will eventually shape the administration's proposed defense budget, but nonetheless these are important issues for us to discuss.

For some time, I have felt that the so-called two major theater war (MTW) requirement is outdated. Something is awfully wrong when that requirement results in an Army division being declared unready simply because it is engaged in a real-life peacekeeping mission in the Balkans.

I am also concerned that we may not be putting enough emphasis on countering the most likely threats to our national security and to the security of our forces deployed around the world, those asymmetric threats like terrorist attacks on U.S.S. *Cole*, on our barracks and our embassies around the world, and the World Trade Center, including possible attacks using weapons of mass destruction and cyber threats to our national security and even to our economic infrastructure.

Two years ago, Senator Warner established a new subcommittee called the Subcommittee on Emerging Threats and Capabilities to focus our attention on these new asymmetric threats and ways to counter them. Senator Roberts has chaired that subcommittee, and Senator Landrieu now chairs it. Both have done an outstanding job for this subcommittee for the past 2 years. I know that they will

continue their good work with their roles reversed as the new chair and the new ranking member of this important subcommittee.

Senator Warner and I have asked the General Accounting Office (GAO) to conduct a study of the Quadrennial Defense Review in the coming months. Mr. Secretary, I know that you and your staff will cooperate with the GAO in its effort to review the QDR process as it unfolds, and to analyze the QDR product for the committee once it is concluded.

Finally, I just want to emphasize to you, Mr. Secretary, that it is critically important for the Defense Department to provide the budget documents for your fiscal year 2002 budget amendment to Congress by June 27. I understand that this budget will not reflect the results of the defense strategy review to any great extent, so I see no reason for a delay beyond that. If it gets in by June 27 and if, as hoped for, you testify on June 28, we will then have 3 months to mark up the National Defense Authorization Bill in committee, get it passed by the Senate, complete conference with the House and the Senate, and send it to the President by the end of the fiscal year.

Historically, it has taken us an average of almost 5 months to get the bill past the Senate, so doing the entire process in 3 months will be a monumental task. It cannot be done without the cooperation of everyone involved.

I know that Senator Warner is on his way. He has been briefly delayed. I would ordinarily turn to him for his opening comments. Instead, I will now ask you, Secretary Rumsfeld, to open up, and then when Senator Warner gets here we will turn to him for his opening statement. Welcome.

STATEMENT OF HON. DONALD H. RUMSFELD, SECRETARY OF DEFENSE

Secretary RUMSFELD. Thank you very much, Mr. Chairman, and I thank you and the committee for calling this hearing on what I consider to be a very important subject indeed, the driving aspect of defense policy, the strategy.

I would like to present a portion of my remarks and request that the entire written testimony be made a part of the record.

Chairman LEVIN. It will be made a part of the record.

Secretary RUMSFELD. Since coming into office 5 months ago, I have been asking a great many questions and discussing a number of key issues regarding how our Armed Forces might best arrange to meet the new security challenges of the 21st century, and I do appreciate this opportunity to report on our progress.

Later this month, I hope to be available to discuss the 2002 budget amendment, but before we get to that budget I do think today it is best to discuss a larger strategic framework and our efforts to draft a defense strategy that is appropriate to the threats and challenges we surely will face in the period ahead.

We have conducted a number of studies, most of which have been briefed to you and the staff, including missile defense, transformation, conventional forces, morale, and quality of life. We have just completed about a month of consultations with our friends and allies around the world on the various security challenges we will

face. We have also begun an interesting and somewhat unusual process with the Defense Department over the past several weeks.

The Chairman of the Joint Chiefs, General Shelton on my right, the Vice Chairman, each of the Service Chiefs, and the CINCs on occasion, plus the few senior civilian officials who are confirmed, have held a series of meetings to discuss the subject of defense strategy. We have met for about 3 or 4 weeks now, almost three or four times a week for 3 or 4 hours a day, to produce detailed strategy guidance or terms of reference for the congressionally-mandated Quadrennial Defense Review.

That senior group of military and civilian officials have come to some understandings and agreements that we are considering as a new strategy and a force-sizing approach. Over the next 6 to 8 weeks we will test those ideas through the QDR process against different scenarios and models and we will discuss our ideas and findings with the members of this committee. Later this summer or early fall we will know whether or not we believe we have something that we can confidently recommend to the President and Congress, and which we could then use to help us prepare the fiscal year 2003 budget in the fall.

In approaching these discussions, we began with the fact that at present we are enjoying the benefits of the unprecedented global economic expansion, but we really cannot have a prosperous world unless we first have a peaceful world, and the security and stability that the United States Armed Forces provide to the global economy is a critical underpinning of that peace and prosperity.

If we are to extend this period of peace and prosperity, we need to prepare now for the new and different threats we will face in the decades ahead, and not wait until they fully emerge. Our challenge, it seems to me, in so doing is complicated by the fact that we really cannot know precisely who will threaten us in the decades ahead. The only thing we know for certain is that it is unlikely that any of us know what is likely.

Consider the track record of my lifetime. Born in 1932, the Great Depression was underway, and the defense planning assumption of the 1930s was no war for 10 years. By 1939, war had begun in Europe, and in 1941 the fleet that the United States constructed to deter war became the first target of a naval war of aggression in the Pacific.

Airplanes did not exist at the start of the century, but by World War II, bombers, fighters, transports, and other aircraft had become common military instruments that critically affected the outcome of the war, and in the Battle of Britain a nation's fate was decided in the sky.

Soon thereafter, the atomic age shocked the world. It was a surprise. By the 1950s, our World War II ally, the Soviet Union, had become our Cold War adversary, and then with little warning we were, to our surprise, at war in Korea.

In the early 1960s, few had focused on Vietnam, but by the end of the decade, the U.S. was embroiled in a long and costly war there.

In the mid-1970s, Iran was a key U.S. ally, and a regional power. A few years later, Iran was in the throes of an anti-Western revolution and was the champion of Islamic fundamentalism. In March

1989, when Vice President Cheney appeared before this committee for his confirmation hearings, not one person uttered the word Iraq, and within a year he was preparing for war in Iraq.

That recent history should make us humble. It certainly tells me that the world of 2015 will almost certainly be very little like today, and without doubt, notably different from what today's experts are confidently forecasting. But while it is difficult to know precisely who will threaten us, or where or when in the coming decades, it is less difficult to anticipate how we might be threatened.

We know, for example, that our open borders and open society make it very easy for terrorists to strike at our people where they live and work. As you suggested in your opening remarks, our dependence on computer-based information networks today makes those networks attractive targets for new forms of cyber attack.

The ease with which potential adversaries can acquire advanced conventional weapons will present us with new challenges in conventional war and force projection, and may give them new capabilities to deny U.S. access to forward bases. Our lack of defenses against ballistic missiles creates incentives for missile proliferation, which, combined with the development of nuclear, chemical, and biological weapons of mass destruction, could give future adversaries the incentive to try to hold our populations hostage to terror and blackmail.

There are some important facts which are not debatable. The number of countries developing nuclear, chemical, and biological weapons of mass destruction is growing. The number of ballistic missiles on the face of the earth, and the number of countries possessing them, is growing as well.

Consider this. In 1972, the number of countries pursuing biological weapons was unknown. Today, there are at least 13 that we know of, and there are most certainly some that we don't know of, and these programs are of increasing sophistication and lethality.

In 1972, 10 countries had chemical programs that we knew of. Today, there are 16. Four countries ended their chemical weapons programs, but 10 more jumped in to replace them.

In 1972, we knew of only five countries that had nuclear weapons. Today, we know of 12.

In 1972, we assessed a total of nine countries as having ballistic missiles. Today, we know of 28 countries that have them, and we know that those are only the cases we know of. There are dangerous capabilities being developed at this moment that we do not know about, and may not know about for years, in some cases until after they're deployed.

What all this means is that soon, for the first time in history, individuals who have no structure around them to serve as a buffer on their decisionmaking will possess nuclear, chemical, and biological weapons and the means to deliver them. This presents a very different challenge from the Cold War.

Even in the old Soviet Union, the General Secretary of the Communist Party, dictator though he was, had the Politburo to provide some checks and balances that might have kept him from using those weapons at his whim alone. What checks and balances are

there on a Saddam Hussein or a Kim Jong-Il? None that we know of, and certainly none that we believe we can influence.

While this trend in proliferation is taking place, we are also seeing another trend unfold that is both negative and positive, and that is the increasing power, range, and sophistication of advanced conventional weapons. If harnessed by us, these advanced weapons can help us extend our current peace and security into the new century. If harnessed by our adversaries, however, those technologies could lead to unpleasant surprises in the years ahead, and could allow hostile powers to undermine our current prosperity and peace.

Future adversaries may use advanced conventional capabilities to deny us access to distant theaters of operation as they gain access to a range of new weapons that will allow them to expand the deadly zone to include our territory, infrastructure, space assets, population, friends, and allies. We may find future conflicts are no longer restricted to their regions of origin.

For all these reasons, a new approach to deterrence is needed. We are living in a unique period in history when the Cold War threats have receded, but the dangerous new threats of the 21st century have not yet fully emerged. We need to take advantage of this period to ensure that we are prepared for the challenges we will certainly face in the decades ahead.

The new threats are on the horizon, and with the speed of change today, where technology is advancing not in decades but in months and years, we cannot afford to wait until they have emerged before we prepare to meet them.

With this security situation in mind, our team at the Pentagon has been working to develop an appropriate defense strategy for the coming decade. Our goal was to provide clear, strategic guidance and ideas for the congressionally-mandated Quadrennial Defense Review.

Working with the Chairman of the Joint Chiefs of Staff, the Vice Chairman, and the Service Chiefs, we have had extensive discussions and worked through some complex issues. We have now provided guidance to test some preliminary conclusions over the next 2 months before making any recommendations to the President or to Congress.

One of the key questions before us is whether to keep the two nearly-simultaneous MTW force-sizing construct. The two-MTW approach was an innovation at the end of the Cold War. It was based on the proposition that the U.S. should prepare for the possibility that two regional conflicts could arise at the same time, and if the U.S. were engaged in a conflict in one theater, an adversary in a second theater might try to gain his objectives before the U.S. could react, and prudence dictated that the U.S. take this possibility into account.

The two-MTW approach identified both Southwest Asia and Northeast Asia as areas of high national interest to the U.S. In both regions, regimes hostile to the U.S. and its allies and friends possessed the capabilities and had exhibited the intent to gain their objectives by threat or force.

The approach identified the force packages that would be needed for the U.S. to achieve its wartime objectives should two nearly-si-

multaneous conflicts erupt. These force packages were based on an assessment of combat capabilities and likely operations of an adversary on the one hand, and the capabilities and doctrine of U.S. forces so recently displayed in Operation Desert Storm on the other hand.

The two-MTW approach served well in that period. It provided a guidepost for reshaping and resizing the force from one oriented to global war with a nuclear superpower to a smaller force focused on smaller regional contingencies.

But when one examines that approach today, several things stand out. First, because we have underfunded and overused our forces, we find that to meet acceptable levels of risk we are short a division, we are short of airlift, we have been underfunding aging infrastructure and facilities, we are short on high-demand/low-density (HD/LD) assets, the aircraft fleet is aging at growing cost to maintain, the Navy is declining in numbers of ships, and we're steadily falling below acceptable readiness standards.

I have no doubt, should two nearly-simultaneous conflicts occur, that we would prevail, but the erosion in the capability of the force means that the risks that we would face today and tomorrow are notably higher than they would have been when the two-MTW standard was established.

Second, during this period we have skimped on our people, doing harm to their trust and confidence, as well as to the stability of our forces. Without the ability to attract and retain the best men and women, the United States Armed Forces will not be able to do their job.

Third, we have underinvested in dealing with future risks. We have failed to invest adequately in the advanced military technologies we will need to meet the emerging threats of the new century. Given the long lead times in development and deployment of new capabilities, waiting further into the 21st century to invest in those capabilities poses a risk.

Fourth, we have really not addressed the growing institutional risks, that is to say, the way the Department of Defense operates. The waste, the inefficiency, the distrust that results from the way it functions will over time, I fear, erode public support, to the detriment of the country.

Fifth, an approach that prepares for two major wars focuses military planners on the near-term, to the detriment of preparing for the longer-term threats. Too much of today's military planning is dominated by what one scholar of Pearl Harbor called a poverty of expectations, a routine obsession with a few dangers that may be familiar, rather than likely.

But the likely dangers of this new century may be quite different from the familiar dangers of the past century. A new construct may be appropriate to help us plan for the unfamiliar and increasingly likely threats that we believe we will face in the decades ahead.

All of this led our team to the conclusion that we owed it to the President, to the country, to ask the question whether the two nearly-simultaneous major regional theater war approach remains the best for the period ahead, so we set in motion a process that has not been tried before.

Knowing that any change would unquestionably require the military advice and commitment of the Chairman of the Joint Chiefs, the Vice Chairman, the Service Chiefs, and the regional and functional CINCs, we asked them to see if together we could not fashion a proposal that we believe might better serve the country than the current two-MTW approach. The QDR process could then test that alternative against the two-MTW approach to see whether or not we believed we had found something that we might want to recommend to the President and to Congress as a way ahead for the future.

The approach we will test will balance the current risks to the men and women in the Armed Forces, the risks to meeting current operational requirements and war plans, and the risks of failing to invest for the future, by using this period of distinct U.S. advantage to: set us on a path to recover from the investment shortfalls in people, morale, infrastructure, and equipment so we are able to attract and retain the people we need; and invest in future capabilities that will be needed if the U.S. is to be able to reassure our allies and friends and deter and defeat potential adversaries armed with advanced technologies, vastly more lethal weapons, and a range of methods of threatening their use.

While doing so, the U.S. must assure its ability to do these following things: First, defend the United States; and second, maintain deployed forces forward to reassure our friends and allies, to pursue security cooperation, to deter conflict and to be capable of defeating the efforts of any adversary to achieve its objectives by force or coercion, repelling attacks in a number of critical areas, and also be capable of conducting a limited number of smaller-scale contingencies while assuring the capability to win decisively against an adversary threatening U.S. vital interests anywhere in the world.

This approach we think takes account of the following: the threat to the U.S. has increased. Terrorist attack, including the use of nuclear, chemical, and biological weapons, is clearly a growing concern. Cyber attacks are increasing. The threat of ballistic and cruise missile attacks is increasing. Allied and friendly nations are also at increased risk. A new defense strategy would need to take this growing and increasingly complex threat into account.

Within the areas of critical concern to the U.S., the threat is evolving as well. Nations are arming themselves with a variety of advanced technology systems, from quiet submarines armed with high-speed torpedoes and cruise missiles, to air defense radars, to satellite jamming capabilities. The development and integration of these capabilities are clearly designed to counter those military capabilities which provide the U.S. with its current military advantage.

Moreover, warfare is now conducted on shorter time lines. Adversaries understand that their success may turn on the ability to achieve their objectives before the U.S. and its allies and friends can react.

Given these developments, we believe there is reason to explore enhancing the capabilities of our forward-deployed forces in different regions to defeat our adversaries' military efforts with only minimal reinforcement. We believe this would pose a stronger de-

terrent in peacetime, allow us to tailor forces to each region, and provide a capability to engage and defeat adversaries' military objectives whenever and wherever they might challenge the interests of the U.S., our allies, and friends.

In the end, however, the U.S. must have the capacity to win decisively against an adversary. The U.S. must be able to impose terms on an adversary that assure regional peace and stability, including, if necessary, the occupation of an adversary's territory and change of its regime.

This strategy and approach has been designed to assure that we invest in the force for the future, to assure that we have the margin of safety that we'll need in the future, while at the same time assuring the ability to deal with likely threats over the near term.

Because contending with uncertainty must be a centerpiece of U.S. defense planning, this strategy would combine both so-called threat-based as well as capability-based planning, using threat-based planning to address nearer-term threats, while turning increasingly to a capabilities-based approach to make certain that we develop forces prepared for the longer-term threats that are less easily understood.

Under such an approach, we would work to select, develop, and sustain a portfolio of U.S. military capabilities, capabilities that could not only help us prevail against current threats, but because we possess them, hopefully dissuade potential adversaries from developing new capabilities themselves.

Some of the investment options we have discussed include, obviously, an investment in: people; experimentation; intelligence; space; missile defense; information operations; pre-conflict management tools—which are not what they ought to be today, in my view; precision strike capability; rapidly deployable standing joint forces; unmanned systems; command, control, communications, and information management; strategic mobility; research and development base; and infrastructure and logistics.

The portfolio of capabilities, in combination with a new strategy, could help us meet four important defense policy goals. First, to assure our friends and allies that we can respond to unexpected dangers and the emergence of new threats, and that we will meet our commitments to them, and that it is both safe and beneficial to cooperate with the United States.

Second, to the extent possible, dissuade potential adversaries from developing threatening capabilities by developing and deploying capabilities that reduce their incentive to compete.

Third, to deter potential adversaries from hostile acts and counter coercion against the U.S., its forces, or allies.

Fourth, should deterrence and dissuasion fail, defend the United States, our forces abroad, and our friends and allies against any adversary and, if so instructed, decisively win at a time, place, and manner of our choosing.

These are some of the issues we have put in the QDR process to examine and test. As the process moves forward, we will continue to consult with Congress and expect, by late summer, to make some recommendations to the President.

Let me underscore that we have not decided on a new strategy. We are considering and testing this concept, and variants of that

strategy, against the current one. We will continue to consult with you as the QDR process approaches completion in September, and we will then come to conclusions about the desirability of the possible new defense strategy.

I must add, however, that the current strategy cannot be said to be working because of the shortfalls which I describe, so it seems to me we owe it to ourselves to ask the question, "What might be better?" Preparing for the 21st century will not require immediately transforming the United States military, just a portion, a fraction of the force. As has been said, the Blitzkrieg was an enormous success, but it was accomplished by only a 10- or 15-percent transformed German army.

Change is difficult, but the greatest threat to our position today, I would submit, is complacency. Thankfully, Americans no longer wake up each morning and fret about the possibility of a thermonuclear exchange with the old Soviet Union. The Soviet Union is gone. They look at the world and they see peace, prosperity, and opportunity.

We need the wisdom and sense of history and humility to recognize that, while America does have capabilities, we are not invulnerable, and that our current situation is not a permanent condition. If we do not act now, new threats will emerge to surprise us, as they have repeatedly in the past. The difference is that today's weapons are vastly more powerful.

My hope is to work with you, Mr. Chairman, and the members of the House and Senate. That is why I am here today to discuss these matters. That is why we have undertaken these consultations with our allies, and the intensive discussions with our senior military leaders, but let us begin with the understanding that the task is worth doing. A window of opportunity is open, but the world is changing, and unless we change we will find ourselves facing new and daunting threats we did not expect, and which we will be unprepared to meet.

Thank you.

[The prepared statement of Secretary Rumsfeld follows:]

PREPARED STATEMENT BY DONALD H. RUMSFELD

INTRODUCTION

Mr. Chairman, thank you for calling this hearing. Since coming into office 5 months ago, I have been asking a great many questions and discussing a number of key issues regarding how our Armed Forces might be best arranged to meet the new security challenges of the 21st century. I appreciate the opportunity to report to you on our progress.

Later this month, I will be available to discuss the 2002 budget amendment. But before we get to budgets, I think it would be useful to discuss the larger strategic framework, and our efforts to craft a defense strategy appropriate to the threats and challenges we will surely face in the 21st century.

- We have conducted a number of studies, many of which have been briefed to you, including missile defense, space, transformation, conventional forces, and morale and quality of life.
- We have just completed a month of consultations with our friends and allies on the new and different security challenges we will face in the 21st century. President Bush has returned from a successful tour of Europe. His trip was preceded by visits to NATO and Western capitals by Secretary Powell, myself, and other administration officials, during which we discussed how best to move beyond the Cold War, and prepare together for the emerging threats we will all face in this new and still dangerous century.

We have also begun a notable process within the Defense Department. Over the past several weeks, the Chairman of the Joint Chiefs of Staff, the Vice Chairman, each of the Service Chiefs of Staff, on occasion the CINCs, and the few senior civilian officials in the Department who have been confirmed, held a series of meetings to discuss U.S. defense strategy. We did not include staff, and met daily, 2 to 3 hours at a time, often on weekends—for a total of some 20–25 hours—to produce detailed strategy guidance for the execution of the congressionally-mandated Quadrennial Defense Review (QDR).

That senior group of military and civilian officials has agreed on some ideas that could become a new strategy and a force-sizing approach. Over the next 6 to 8 weeks, we will test those ideas through the QDR process against different scenarios and models, and we will discuss our ideas and findings with the members of this committee. By later this summer and early fall, we will know whether we have something we can confidently recommend to the President, the National Security Council, and Congress, and which will help us prepare the 2003 budget.

STRATEGIC ENVIRONMENT

In approaching these discussions, we began with the fact that at present we are enjoying the benefits of the unprecedented global economic expansion—an expansion driven by information technology, innovative entrepreneurs, the spread of democracy, free economic systems, and the growth of societies that respect individual liberty and reward individual initiative.

But we cannot have a prosperous world unless we first have a peaceful world. The security and stability that the U.S. Armed Forces provide is the critical underpinning of that peace and prosperity. If we cannot defend against aggression, and contribute to stability, we put at risk our current favorable circumstance.

Imagine, for a moment, what might happen if a rogue state demonstrated the capability to attack U.S. or European populations with nuclear, chemical, or biological weapons of mass destruction? A policy of intentional vulnerability by the Western nations could give rogue states the power to hold our people hostage to nuclear blackmail—in an effort to prevent us from projecting force to stop aggression.

In the event of a hostile threat by one of these states, we would have three unpleasant choices: acquiesce and allow it to invade its neighbors (as Iraq invaded Kuwait); oppose the threat and put Western population centers at risk; or be forced to take pre-emptive action.

Intentional vulnerability could make building coalitions against aggression next to impossible. At worst, it could lead to a rise in isolationism—something that would surely damage economic progress in our still dangerous world.

So if we are to extend this period of peace and prosperity, we need to prepare now for the new and different threats we will face in the decades ahead—not wait until they fully emerge. Only if we act now will we be able to live in peace in that quite different world.

Our challenge in doing so is complicated by the fact that we cannot know precisely who will threaten us in the decades ahead. As I discussed with the defense ministers at NATO, the only thing we know for certain is that it is unlikely that any of us know what is likely. Consider the track record during my lifetime:

- I was born in 1932, the Great Depression was underway, and the defense planning assumption of the mid-1930s was “No war for 10 years.”
- By 1939, World War II had begun in Europe, and in 1941 the fleet the U.S. constructed to deter war became the first target of a naval war of aggression in the Pacific. Airplanes did not exist at the start of the century, but by World War II, bombers, fighters, transports, and other aircraft had become common military instruments that critically affected the outcome of the war, and, in the Battle of Britain, a nation’s fate was decided in the skies.
- Soon thereafter, the Atomic Age had shocked the world. By the 1950s our World War II ally, the Soviet Union, had become our Cold War adversary, and, with little warning, we were, to our surprise, at war in Korea.
- In the early 1960s few had focused on Vietnam; by the end of the decade the U.S. was embroiled in a long and costly war there.
- In the mid-1970s Iran was a key U.S. ally and the regional power; a few years later, Iran was in the throes of anti-Western revolution and the champion of Islamic fundamentalism.
- In March 1989, when Vice President Cheney appeared before the U.S. Senate for his confirmation hearings as Secretary of Defense, not one person uttered the word “Iraq.” Within a year, he was preparing the U.S. for war in the Persian Gulf.

That recent history should make us humble. It tells me that the world of 2015 will almost certainly be little like that of today and, without doubt, notably different from what today's experts are confidently forecasting.

But while it is difficult to know precisely who will threaten us, or where, or when in the coming decades, it is less difficult to anticipate how we will be threatened. We know, for example, that:

- Our open borders and open societies make it easy and inviting for terrorists to strike at our people where they live and work.
- Our dependence on computer-based information networks make those networks attractive targets for new forms of cyber-attack.
- The ease with which potential adversaries can acquire advanced conventional weapons will present us with new challenges in conventional war and force projection, and may give them new capabilities to deny the U.S. access to forward bases.
- Our lack of defenses against ballistic missiles creates incentives for missile proliferation which—combined with the development of nuclear, chemical, and particularly biological weapons of mass destruction—could give future adversaries the incentive to try to hold our populations hostage to terror and blackmail.

There are some important facts which are not debatable: The number of countries that are developing nuclear, chemical, and biological weapons of mass destruction is growing. The number of ballistic missiles on the face of the earth, and the number of countries possessing them is growing as well.

Consider that:

- In 1972, the number of countries pursuing biological weapons was unknown; today there are at least 13 we know of, and they are of increasing sophistication and lethality;
- In 1972, 10 countries had chemical programs we knew of; today there are 16 (4 countries ended their chemical weapons programs, but 10 more jumped in to replace them);
- In 1972, we knew of only 5 countries that had nuclear weapons programs; today we know of 12;
- In 1972, we assessed a total of 9 countries as having had ballistic missiles; today we know of 28.
- Note that those are only the cases we know of. There are dangerous capabilities being developed at this moment that we do not know about, and may not know about for years, in some cases until after they are deployed. That has been the case in the past, and despite our best efforts, we must understand that it is the case today.

This proliferation of dangerous technologies is aided by the same globalization that is helping to fuel our current prosperity. Just as we see growing interdependence within the free world, there is also a growing interdependence among the world's rogue states. Those states are sharing information, technology, weapons material, and know-how at a rapid pace.

What all this means is that soon, for the first time in history, individuals who have no structure around them to serve as a buffer on their decision-making will possess nuclear, chemical, and biological weapons, and the means to deliver them.

This presents a very different challenge from that of the Cold War. Even in the old Soviet Union, the Secretary General of the Communist Party, dictator though he was, had the Politburo to provide some checks and balances that might have kept him from using those weapons at his whim. What checks and balances are there on Saddam Hussein or Kim Jong Il? None that we know of or can influence. No one can be certain how they would behave in a crisis, but we know they lack the constraints of a democracy.

We know from experience that they have already demonstrated a willingness to use these weapons. Saddam Hussein used gas on his own people, fired ballistic missiles against Israel and Saudi Arabia during the Gulf War, and has an aggressive nuclear program. Iran has recently used ballistic missiles to strike opposition bases in Iraq. So using these kinds of weapons does not seem to offend their sensibilities.

But we must remind ourselves that these weapons do not have to be used to alter behavior. The regimes seeking ballistic missiles and nuclear, chemical, and biological weapons see them not only as weapons to use in war, but as tools of coercion—means by which they can intimidate their neighbors and prevent others from projecting force to defend against aggression.

The countries pursuing these technologies are often poor—in the case of North Korea, starving—but they are determined. They are taking funds that could provide basic sustenance to their people in some cases, and improve the quality of life in

others, and investing those funds in ballistic missile technology and weapons of mass destruction. They are doing it for a purpose: because they have decided it is very much in their interest, and strengthens their influence in the world. They are doing it because they believe that they can use these weapons to deter us from acting in ways contrary to their interests.

That is why they are not constrained by diplomatic efforts to halt their programs; they are not constrained by international “norms” and arms control regimes; and we cannot rely on them being deterred by the threat that we would use nuclear retaliation against the people of their countries they in effect hold hostage—the Mutually Assured Destruction concept that contributed to stability with the Soviet Union during the Cold War. These are very different regimes.

While this trend in proliferation is taking place, we are also seeing another trend unfold that has both negative and positive aspects: the increasing power, range, and sophistication of advanced conventional weapons.

If harnessed by us, these advanced weapons can help us to extend our current peace and security well into the new century. If harnessed by our adversaries, however, these technologies could lead to unpleasant surprises in the years ahead—and could allow hostile powers to undermine our current prosperity and our ability to contribute to peace.

Future adversaries may use these advanced conventional capabilities to deny us access to distant theaters of operation. As they gain access to a range of new weapons that allow them to expand the “deadly zone” to include our territory, infrastructure, space assets, population, friends, and allies, we may find future conflicts are no longer restricted to their region of origin.

For all these reasons, a new approach to deterrence is needed. We are living in a unique period in history, when the Cold War threats have receded, but the dangerous new threats of the 21st century have not yet fully emerged. We need to take advantage of this period to ensure that we are prepared for the challenges we will certainly face in the decades ahead.

The new threats are on the horizon. With the speed of change today—where technology is advancing not in decades but in months and years—we cannot afford to wait until they have emerged before we prepare to meet them.

After the new threats emerge, this opportunity may not be available. The risks of transformation could be much greater than—perhaps unacceptably so.

QUADRENNIAL DEFENSE REVIEW (QDR)

With this security situation in mind, our team at the Pentagon has been working to develop the appropriate defense strategy for the coming decades. Our goal was to provide clear strategic guidance and ideas for the congressionally-mandated QDR.

Working with the Chairman of the Joint Chiefs of Staff, the Vice Chairman, and the Service Chiefs, we have had extensive discussions and worked through some complex issues. We have now provided guidance to test some preliminary conclusions over the next 2 months, before making any recommendations to the President or Congress.

As we began our review, I asked the members of our group to think about and answer a series questions. These included:

- How do we measure and balance the various risks?
- How can we best size and organize the force?
- What key capabilities does the U.S. currently lack or not have in sufficient maturity that are essential?
- What should DOD be doing with respect to homeland defense?
- What types of small-scale contingency operations are we likely to face, and how many?
- How can readiness measurements be improved?

One of the key questions before us is whether to keep the two nearly-simultaneous Major Theater War (MTW) force-sizing construct.

I must say at the outset that suggestions that the two nearly-simultaneous MTW approach has been scrapped are not correct. I am a careful person and believe you don't replace what is until you have something better—and we do not yet know whether the construct the QDR will examine will be better. It will be after the QDR before we will be in a position to make a recommendation.

The two-MTW approach was an innovation at the end of the Cold War. It was based on the proposition that the U.S. should prepare for the possibility that two regional conflicts could arise at the same time. If the U.S. were engaged in a conflict in one theater, an adversary in a second theater might try to gain his objectives before the U.S. could react. Prudence dictated that the U.S. take this possibility into account.

Based on this proposition, the two-MTW approach served as a basis for sizing the force, that is, each of the Services, to include their Active and Reserve components. The two-MTW approach identified both Southwest Asia and Northeast Asia as areas of high national interest to the U.S. In both regions, regimes hostile to the U.S. and its allies and friends possessed the capability and had exhibited the intent to gain their objectives by the threat or use of force.

The approach identified the “force packages” that would be needed for the U.S. to achieve its wartime objectives should two nearly-simultaneous conflicts erupt. These force packages were based on an assessment of the combat capabilities and likely operations of an adversary, on the one hand, and the capabilities and doctrine of U.S. forces—so recently displayed in Operation Desert Storm—on the other.

The two-MTW approach served well in that period. It provided a guidepost for reshaping and resizing the force from one oriented to a global war with a nuclear superpower, to a smaller force focused on smaller regional contingencies.

But when one examines that approach today, several things stand out:

- First, because we have underfunded and overused our forces, we find we are short a division, we are short of airlift, we have been underfunding aging infrastructure and facilities, we are short on high-demand/low-density assets, the aircraft fleet is aging at considerable and growing cost to maintain, Navy ships are declining in numbers, and we are steadily falling below acceptable readiness standards. I have no doubt that should two nearly-simultaneous conflicts occur that we would prevail in both. But the erosion in the capability of the force means that the risks we would face today and tomorrow are notably higher than they would have been when the two-MTW standard was established.
- Second, we have skimped on our people, doing harm to their trust and confidence, as well as to the stability of our force. Without the ability to attract, train, and retain the best men and women, the U.S. Armed Forces will not be able to do their job. We cannot continue to skimp on our people if we are to have a first-class force for the 21st century.
- Third, we have underinvested in dealing with future risks. We have failed to invest adequately in the advanced military technologies we will need to meet the emerging threats of the new century. Given the long lead-times in development and deployment of new capabilities, waiting further to invest in 21st century capabilities will pose an unacceptable risk. We are, in essence, risking our future security.
- Fourth, we have not addressed the growing institutional risks—the waste, inefficiency, and distrust—that result from the way DOD functions, and will over time erode public support to the detriment of our Nation.
- Fifth, an approach that prepares for two major wars, by its very nature, focuses military planning on the near-term, to the detriment of preparing for longer-term threats. Because we can't predict threats of the future, we tend not to plan for them. As a result, too much of today's military planning is dominated by what one scholar of Pearl Harbor called “a poverty of expectations—a routine obsession with a few dangers that may be familiar rather than likely.”

But the likely dangers of this new century may be quite different from the familiar dangers of the past century. A new construct may be appropriate to help us plan for the unfamiliar and increasingly likely threats we will face in the decades ahead.

We also know that in the decade since the two-MTW approach was fashioned, we have not had two major regional wars—which, of course, is good and may well be an indication of the success of the approach. On the other hand, we have done a host of other things, such as Haiti, Bosnia, Kosovo, non-combatant evacuations, humanitarian missions, etc.

All of this led our team to the conclusion that we owed it to the President and the country to ask the question whether the two nearly-simultaneous MTW approach remains the best one for the period ahead.

That said, in deciding how to proceed, we recognized that, if we decided to move beyond the two-MTW strategy, we would need to substitute something better and not just undertake change for change's sake. To those who would tear down what is, falls the responsibility of recommending something better.

So we set in motion a process that has not been tried before. Knowing that any change in our approach would unquestionably require the military advice and commitment of the Chairman of the Joint Chiefs, the Vice Chairman, the Service Chiefs of Staff, and the regional and functional CINCs, I asked them to see if we could, together, fashion a proposal that we believed might better serve the country than the two-MTW approach. The QDR process could then test that alternative against

the two-MTW approach to see whether we believed we had found something we might recommend to the President and Congress as a way ahead for the future.

It has been an intensive process. I have learned a great deal. I don't suggest that we have yet found something better to recommend. What we have found is something that we at least think may be better, and we are offering for testing in the QDR process.

The approach we will test will balance the current risks to the men and women in the Armed Forces, the risks to meeting current operational requirements, and the risks of failing to invest for the future, by using this period of distinct U.S. advantage to:

- Set us on a path to recover from the investment shortfalls in people, morale, infrastructure, equipment, optempo, etc., so we are able to attract and retain the talents needed for a modern force;
- Invest in the future capabilities that will be critical if the U.S. is to be able to reassure allies and friends, and to deter and defeat potential adversaries armed with advanced technologies, vastly more lethal weapons, and a range of methods of threatening their use.

While undertaking these overdue investments, the U.S. must assure its ability to:

- Defend the United States;
- Maintain deployed forces forward to reassure friends and allies, to pursue security cooperation, to deter conflict and to be capable of defeating the efforts of any adversary to achieve its objectives by force or coercion, repelling attacks in a number of critical areas, and also be capable of conducting a limited number of smaller-scale contingencies; while
- Assuring the capability to win decisively against an adversary threatening U.S. vital interests, anywhere in the world.

This approach takes account of the following:

- The threat to the U.S. has increased. Terrorism and attacks by special operations forces, including the use of nuclear, chemical, and biological weapons, is a growing concern. Cyber-attacks are increasing. The threat of ballistic and cruise missile attack is increasing. Allied and friendly nations are also at increased risk. A new defense strategy would need to take this growing and increasingly complex threat into account, and provide forces to address it.
- Within the areas of critical concern to the U.S., the threat is evolving as well. Nations are arming themselves with a variety of advanced technology systems, from quiet submarines armed with high-speed torpedoes and cruise missiles, to air defense radars to satellite jamming capabilities. The development and integration of these capabilities are clearly designed to counter those military capabilities which provide the U.S. its current military advantage.
- Moreover, warfare is now conducted on short timelines. Adversaries understand that their success may turn on their ability to achieve their objectives before the U.S., and its allies and friends, can react.
- Given these developments, we believe there is reason to explore enhancing the capabilities of our forward deployed forces in different regions to defeat an adversary's military efforts with only minimal reinforcement. We believe this would pose a stronger deterrent in peacetime, allow us to tailor forces for each region and provide capability to engage and defeat adversaries' military objectives wherever and whenever they might challenge the interests of the U.S. and its allies and friends.
- In the end, however, the U.S. must have the capacity to win decisively against an adversary. The U.S. must be able to impose terms on an adversary that assure regional peace and stability—including, if necessary, the occupation of an adversary's territory and change of its regime.

This strategy and approach has been designed to assure that the U.S. invests in the force for the future to assure that we have the necessary margin of safety needed in the 21st century, while, at the same time, assuring the ability to deal with likely threats over the nearer term.

Such a strategy may result in a change in our approach to smaller-scale contingencies. It could also require some modifications in war plans as to timing and war termination goals. A range of options to address these issues and consider these questions is the task of the QDR.

Contending with uncertainty must be a centerpiece of U.S. defense planning. Because of the uncertainty about the future strategic environment, this strategy would combine both "threat-based" and "capabilities-based" planning, using "threat-based"

planning to address near-term threats, while turning increasingly to a “capabilities-based” approach to make certain we develop forces prepared for the longer-term threats that are less easily understood.

Under such an approach we would work to select, develop, and sustain a portfolio of U.S. military capabilities—capabilities that could not only help us prevail against current threats, but, because we possess them, dissuade potential adversaries from developing dangerous new capabilities.

Some of the investment options we have discussed include:

- **People.** No matter how advanced we become technologically, people will always be the backbone of our defense. Smart weapons require smart soldiers;
- **Experimentation**, including the creation of innovative military units;
- **Intelligence**, to provide insight about the intentions of potential adversaries and warning of impending attacks and emerging capabilities;
- **Space**, to provide nearly continuous space-based coverage of critical areas of the world to support both civilian and military decision-makers and operators, and to develop and field capabilities to monitor objects in space and protect U.S. space systems;
- **Missile Defense**, to be able to defend the United States, our friends and allies and forward deployed forces;
- **Information Operations**, which need to be increasingly integrated into operations in peacetime, crisis, and wartime;
- **Pre-conflict management tools**, to mitigate the chance of war by deterring conflict and influencing the choices of decision-makers;
- **Precision strike**, to enable the U.S. to strike targets rapidly, on a global basis, carrying larger payloads of weapons, with a higher-degree of discrimination;
- **Rapidly Deployable Standing Joint Forces**, for forward presence in peacetime and to permit and sustain operations across the spectrum of military missions, including entry into areas where adversaries seek to deny access;
- **Unmanned systems**, including robotic ground, air, sea and space sensors and vehicles;
- **Command, Control, Communications, and Information Management**, to rapidly transmit secure information in support of joint forces;
- **Strategic mobility**, to project U.S. combat power rapidly;
- **Research and development base**, to ensure the U.S. military maintains an asymmetric advantage over adversaries and to hedge against an uncertain future and the potential for surprise; and
- **Infrastructure and logistics**, to ensure DOD has modern, ready and effective installations to support operations and maintenance of U.S. forces.

The portfolio of capabilities, in combination with a new strategy, could help us to meet four defense policy goals:

- First, to **assure** our friends and allies that we can respond to unexpected dangers and the emergence of new threats, that we will meet our commitments to them, that it is both safe and beneficial to cooperate with the United States, and, by the same token, that it is possible to find ways to resist intimidation and blackmail by others;
- Second, to the extent possible, **dissuade** potential adversaries from developing threatening capabilities, by developing and deploying capabilities that reduce their incentives to compete;
- Third, **deter** potential adversaries from hostile acts, and counter coercion against the U.S., its forces, its friends and its allies; and
- Fourth, should deterrence and dissuasion fail, **defend** the United States, our forces abroad, our friends and allies against any adversary, and, if so instructed, decisively **defeat** an adversary at the time, place, and manner of our choosing.

These are some of the issues we have put in the QDR process to examine and test. As the QDR process moves forward, we will continue to consult with Congress, and expect by late this summer to make recommendations to the President.

At that point the President will make some decisions and recommendations that may involve balancing some near-term risks in order to secure long-term gains. They may involve forgoing certain advantages during his presidency, so that his successors—and succeeding generations of Americans—will have the new capabilities that will be needed to make America more secure in more dangerous times.

We will likely present the President with a range of options. Once the President weighs those options, and makes decisions on changes to the current strategy, if

any, those decisions will inform the development of the fiscal year 2003 budget, where decisions on weapons systems will have to be addressed in the context of the strategy selected. We will present that budget to Congress in January 2002.

Let me underscore, once again, that we have not yet decided on a new strategy. We are considering and testing a different strategy, and variants of that strategy, against the current one. We will continue to consult with you as the QDR process approaches completion in September, and we will then come to conclusions about the desirability of a new defense strategy.

But I must add: the current strategy is not working. So we owe it to ourselves to ask the question: what might be better?

If and when we decide on something better, we then need to figure out how we get from where we are to where we need to go. Some of the questions we must address include: Do we simply modernize our current force to meet current threats? Or do we begin transforming our force for future threats? If so, what short-term risks are we willing to run, for the long-term gains?

Preparing for the 21st century will not require immediately transforming the entire U.S. military—just a portion. The Blitzkrieg was an enormous success, but it was accomplished by only a 13 percent transformed German army. In some instances, transformation may not require new capabilities at all, but rather new ways of arranging, connecting, and using existing capabilities.

CONCLUSION

Change is difficult. Changing the Defense Department is like turning a great aircraft carrier—it does not turn on a dime.

But the greatest threat to our position today is complacency. Thankfully, Americans no longer wake up each morning and fret about the possibility of a thermo-nuclear exchange with the old Soviet Union. They look at the world and see peace, prosperity, and opportunity ahead of them.

We need the humility to recognize that, while America has capabilities, we are not invulnerable—and our current situation is not a permanent condition. If we don't act now, new threats will emerge to surprise us, as they have so often in the past. The difference is that today weapons are vastly more powerful.

Mr. Chairman, I have spent the past 25 years in business. Any successful executive will confirm that the safest and best time for a business to adapt is when it is on top—and the most dangerous is to wait until an innovative competitor comes along and finds a way to attack your position.

Today America is strong; we face no immediate threat to our existence as a Nation or our way of life; we live in an increasingly democratic world, where our military power—working in concert with friends and allies—helps contribute to peace, stability, and growing prosperity. Indeed, it is the underpinning of world economic prosperity.

But simply hanging on and simply doing more of the same could be a serious mistake.

My hope is to work with you, Mr. Chairman, and the members of the House and Senate. That is why I am here today to discuss these matters. That is why we have undertaken these consultations with our allies, and the intensive discussions with our senior military leaders.

We are not here with all the answers. Getting the strategy right will require a dialogue. I look forward to working together with the members of this committee to find the right answers.

But let's begin with the understanding that the task is worth doing. A window of opportunity is open to us. But the world is changing, and unless we change we will find ourselves facing new and daunting threats we did not expect and will be unprepared to meet.

During the Civil War, a Union General named John Sedgwick stood surveying his Confederate adversary across the battlefield. Confident of his superior position, he turned to an aide and said, "They couldn't hit an elephant at this distance." A moment later, a sharpshooter's bullet struck him under his left eye, killing him instantly.

Complacency can kill. Thank you.

Chairman LEVIN. Thank you, Mr. Secretary. The Secretary has to leave shortly after 11:00. We are going to need to limit each member to 5 minutes for questions, so every Senator has an opportunity to ask questions.

I am not going to call on General Shelton to see if he has an opening statement, but rather, I am going to call on Senator Byrd, who, as Chairman of the Appropriations Committee, has a commitment that prevents him from being able to return after our vote which has just started, so I would yield to Senator Byrd at this time, and then we will recess for 10 minutes.

Senator BYRD. Thank you, Mr. Chairman, for your courtesy, and I thank you, Secretary Rumsfeld, for your statement, and thank you, General Shelton, for appearing here today. I would say parenthetically that I favor the strategic review. I, of course, do not know what the results will be any more than any others of us, but the General Accounting Office released a report on Monday, June 11 on the Pentagon's use of \$1.1 billion that was earmarked in the Fiscal Year 1999 Supplemental Appropriations Act to address the critical shortage of spare parts for the military. The GAO found that 8 percent of that money, or \$88 million, was used by the Navy to purchase spare parts. The remaining 92 percent of the appropriation was transferred to the operation and maintenance (O&M) accounts of the military Services, and thus became indistinguishable from other O&M funds used for activities that include mobilization, training, and administration.

While funds in the O&M accounts can be used to purchase spare parts, the GAO report states that the military Services, "could not readily provide information to show how the funds were used," therefore confounding the GAO's attempt to verify that the funds were actually used to purchase the spare parts that were urgently needed.

Mr. Secretary, the reason I cannot come back here today is because I am chairing a markup of the Appropriations Committee on the Fiscal Year 2001 Supplemental Appropriations Bill, and so this question comes at a very important time. I find it shocking that the Pentagon requested funds to meet an urgent need and then is unable to show Congress that it used those funds to address the problem.

While you are not responsible for the Department's use of appropriations before you assumed your current position, the Fiscal Year 2001 Supplemental Appropriations Bill that was submitted to Congress contains \$2.9 billion that will go to the same O&M accounts that lost track of the \$1 billion that was appropriated 2 years ago.

How can Congress, how can my Appropriations Committee, how can this committee here have any confidence that these funds that are being requested in the Supplemental Appropriations Bill which we are marking up today will be used as Congress intends them to be?

Secretary RUMSFELD. Senator Byrd, you know better than most anybody that the financial reporting systems of the Department of Defense are in disarray. That is to say, they are perfectly capable of reporting certain things, but they are not capable of providing the kinds of financial management information that any large organization would normally have.

At your suggestion in my confirmation hearing, we had a team of people take a look at the financial reporting systems. They reported to the new Comptroller, Dr. Dov Zakheim. He has begun the

process of finding ways to see that the ability to track transactions is improved.

Needless to say, I do not know about the specific instance you are describing, but the problem insofar as it has been characterized to me is not that the money is necessarily going to something other than it should be; it is that the financial systems do not enable one to track the transactions sufficiently that we can go to Congress and say, in fact, of certain knowledge, they went where Congress indicated they should go.

Senator BYRD. Mr. Secretary, I know that you are working on this. We have discussed this before in this committee. But here we have a request today before the Senate Appropriations Committee, and I am the chairman, and I am going to follow this, and as I say, you cannot be held accountable for what has happened before your watch began, but your watch is beginning.

DOD has requested, as I say, \$2.9 billion to go to the same O&M accounts that lost track of the \$1 billion that was appropriated 2 years ago. If we appropriate that money in the appropriations bill which I am reporting out, and I am adding language in the committee report to tighten the screws on the Defense Department in this respect, what assurance can this committee have, and what assurance can the Appropriations Committee have, that that money is going to be trackable, and that the money that is being asked for spare parts will be used for spare parts, and that we can follow the tracks, that the GAO can follow those tracks, because, Mr. Secretary, you are going to come back next year and want more money. Now, what assurance can I have?

Secretary RUMSFELD. Well, I tend to like to underpromise and overdeliver if I can, so I am going to be just brutally frank. I am told by the experts that it will take years to get the financial systems revised and adjusted to a point where they will be able to track in a real-time basis each of the transactions that takes place in the Department, so I cannot give you an assurance that the financial systems will be fixed in 5 minutes, or a year, or 2 years, because the estimates are multiple years.

Senator BYRD. I understand that.

Secretary RUMSFELD. What I can assure you is that in terms of this administration, we will do everything humanly possible to be absolutely certain that the instructions are very clear as to where funds should be spent, and to the extent there's going to be any shifting or reprogramming, that we come to Congress under the law and seek appropriate approval.

Senator BYRD. I have every confidence you are going to do that, but specifically now, specifically with respect to the spare parts, this is what I am talking about, where \$1.1 billion was earmarked 2 years ago in the Fiscal Year 1999 Supplemental Appropriations Bill, the GAO found 90 percent of those funds were transferred to O&M accounts. What assurance do we have that the \$2.9 billion that is being requested in today's supplemental appropriation is going to be trackable?

I know you are reviewing the systems, and I have great respect for your efforts. I know that is what you intend to do, but I am specifically upset because of the earmarking that went on here with respect to spare parts. The General Accounting Office is not able

to track those. Now, what is going to happen with the \$2.9 billion that I am going to mark up for your Department today, or may not? What is going to happen?

I want some assurance that there will be some way to track this item, because I think, Mr. Secretary, you spoke about the erosion of confidence by the American people, and you are exactly right, but there is going to be an erosion of confidence in the Appropriations Committee.

As I say, I do not expect you to be accountable for previous administrations, but we are being asked for \$2.9 billion here, and I want to be responsible to my constituents, and I want to hold the Department responsible for this money that is being asked for today, or else our confidence is going to erode pretty fast.

Secretary RUMSFELD. I will look into what happened in the past and see if it is possible to see if there was some sort of a re-programming authority that was presented to Congress. I just simply do not know, and if there was, I will be happy to have you briefed as to exactly what took place.

As to the future, to the extent that we are asking for funds for a specific purpose, I can assure you that the money will be spent for that purpose or we will come before Congress and say the circumstances changed, which happens in life, and that we request permission to spend those funds for some other purpose, according to the law.

Senator BYRD. Well, I thank you for that assurance, Mr. Secretary. Let me assure you that I am going to be watching this. I think it is indefensible not to be able to show the General Accounting Office, which is the arm of Congress, what happened to this money that we appropriated and earmarked specifically for spare parts.

We are being asked for similar money, as I stated, again, and we need to know this problem is going to be taken care of, but I understand you to say in this specific area you are going to watch that closely, am I correct?

Secretary RUMSFELD. You are.

Senator BYRD. I hope, Mr. Secretary, that you will be able to do that. I have confidence that you intend to keep that promise, and the promise has to be kept, because if I'm still living a year from now, and that is up to the Good Lord, and the people of West Virginia have already signed my contract for 5 years, I will be back. You will want more money next year, and I do not mean to be pointing my finger at you personally, but I will be asking this question. We need for Congress to mean it when we say it, and the Department needs to mean it when it says it needs that money and will spend that money for spare parts.

I hope, General Shelton, that you will have something to say on this, because I have to go answer this roll call.

**STATEMENT OF GEN. HENRY H. SHELTON, USA, CHAIRMAN,
JOINT CHIEFS OF STAFF**

General SHELTON. Thank you, Senator Byrd, and let me say that I have not seen the report. However, I certainly agree that this is an extremely important issue. I want to have all of the facts laid

out and make sure we have responded to your question in as accurate and timely a manner as we could.

I also would say that we need to be able to make sure the funds that have been allocated are, in fact, accounted for in the proper manner.

The one thing that I do see that indicates that the funds went to the intended purpose has been in the readiness rate since 1999, where they have—a lot of our readiness rates were suffering drastically.

Senator BYRD. I am not complaining about that. If the O&M accounts were suffering, tell us about it, but do not tell us that this money will be spent for spare parts when it ends up that the General Accounting Office can only track 8 percent of the \$1.1 billion for spare parts.

General SHELTON. Yes, sir. As you indicated, Senator Byrd, in your statement, the funds in the O&M account actually do provide for spare parts on a day-to-day basis, and I think that the readiness rates we have seen turn around would indicate that a large amount of that money went to O&M accounts.

Senator BYRD. I do not have any question about that at all. We can go around and around on the head of a pin all day, but this ought not to happen. If Congress is going to be asked for money for spare parts, and we earmark it for that purpose, then it ought to be used for that purpose, and the Department ought to be able to show that it was used for that purpose.

Now, we are up against a very tight budget here. Our domestic needs are being tightened and are not being met, and the President's budget for the most part, the supplemental is going to be defense, and not one thin dime is being added as far as I am concerned in that appropriation bill today, not one thin dime is being added to the President's request. I am going to do everything I can to help you get that money, but there has to be responsibility here. I guarantee you, you are going to be asked the question when you come here if you do not follow these earmarks for defense, when an agency requests this money for spare parts. There has to be better accounting.

So if the President is going to narrow his budget down to where he is going to ask for a 7 percent increase for defense spending and less than 4 percent for non-defense, then I want the President and the administration to be sure it does its bookkeeping right.

I want to help the Defense Department. I am as interested in the security of this country as anybody else, but we have to have better accountability, whether it is Democrat or Republican, it does not bother me. We are all in this together, and I thank you very much.

Thank you, Mr. Secretary.

Mr. Warner, I am going to go vote. Did you go vote?

Senator WARNER. Yes, my good friend from my neighboring State, I did vote early so that I could carry on here, and utilize our time with these two witnesses.

Senator BYRD. Thank you very much.

Senator WARNER. I thank my colleague, and I welcome, Mr. Secretary, the opportunity to visit with you and General Shelton again this morning. I apologize I was not here earlier. I had a longstanding engagement to address the Mothers Against Drunk Driving,

and I will tell you, I do not know of any organization that is trying harder to remedy a problem which, indeed, unfortunately afflicts some of those in uniform throughout this country.

Mr. Secretary, I love military history, as do you, and we have talked many times together about days in the past that we have shared. I want to read you a quote from one of our great heroes who we respect greatly, General Eisenhower. He was asked shortly after World War II the following question about warfare.

He was asked about when we might expect another engagement of some magnitude right on the heels of World War II, and he replied as follows: "I hope there will be no more warfare. But, if and when such a tragedy as war visits us again, it is always going to happen under circumstances, at places, and under conditions different from those you expect or plan for."

You are trying, in my judgment, to do the right thing, and that is to make a very intensive review of this Nation's strategy, and match it to our current force structure. This may lead you to recommend drastic moves to restructure those forces to meet future contingencies. Clearly, you are doing so with the advice and counsel of the Chairman of the Joint Chiefs of Staff, the Service Chiefs, and other military leaders.

You are embarked on a very courageous mission, my friend. We have known each other these many years, beginning with our service under a previous administration almost a quarter of a century ago. In the 23 years I have been on this committee, and I have had the privilege of hearing from and learning from many Secretaries of Defense, I think you have tackled the most arduous program of any Secretary who I have been privileged to know and work with during these years.

So I wish you luck, and you are going to have my support. I think it is proper to address the two-MTW standard, and sizing the U.S. military forces has been a vigorous debate for many years. I have listened to military experts in and out of uniform during these many years, and the underlying predicate of that standard has been that it acted as a deterrent throughout the world.

Now that we acknowledge that our force structure is going to change, have we lessened that underlying power of deterrence that has been projected by the United States for these many years?

Secretary RUMSFELD. Senator Warner, I thank you for your generous comment. I would respond to that very important and difficult question this way. Sometimes, when people use the word deterrence, what comes to mind is mutually assured destruction in a narrow sense. That is to say, the ability of the United States and the Soviet Union to destroy each other through the use of nuclear weapons.

But, of course, when you use it, you mean something much deeper and broader. You are looking at deterrence across the spectrum, and there are lots of things that deter. There is no question that having the capability to conduct two major regional conflicts has had a healthy deterrent effect. However, it is also true that investing for the future and developing capabilities to deal with emerging threats has a deterrent effect, and a deterrent effect in two respects.

It can have a deterrent effect in persuading people that it is not in their interest to use their capabilities against us because we have capabilities, and also in some cases it can dissuade them from even developing those capabilities, because it becomes clear to them that they would be throwing good money after bad.

Second, as we looked at this process, the group, it became very clear that there are more than simply operational risks and deterrence because of forces. We have been doing a great many smaller-scale contingencies, for example, a presence around the world that also contributes to deterrence.

I was given a list from General Shelton. It is called a series of vignettes, and there are just a host of things that we do besides prepare for two major regional conflicts, and I will just zip through them.

Opposed intervention, humanitarian interventions, peace accord implementation, follow-on peace operations, interpositional peace-keeping, foreign humanitarian assistance, domestic disaster relief, consequence management, no-fly zones, maritime intercept operations, counterdrugs, noncombatant evacuation, shows of force, and strikes. That is what we have been doing, and those things, too, I think in a way contribute to deterrence.

Senator WARNER. I think it is the desire of our President, and he will implement that, to cut back on the volume of such participation.

I read this morning about Macedonia. I think it is a correct decision on behalf of our government to be a partner in that. By the way, they applied an entirely new name to that type of intervention we are going to have over there. At least, I had not seen it before, and so I am just asking again, are we not going to cut back on some of those as a matter of policy?

Secretary RUMSFELD. I think that as a practical matter, because we have not been organized and arranged to deal with these type of things, they have been stressing the force, and possibly General Shelton would want to comment on that. We do them, and we do them well, but there has to be a limit to the number of things one can do.

General SHELTON. As the Secretary has indicated, Senator Warner, I think the most important thing to come out of this QDR, and the stage has been set now by the terms of reference the Secretary has referred to, is that we get the strategy and force structure in balance that we have today. We have too much strategy and too little force structure, as the Secretary has indicated, through the number of things we have been doing as a part of the review.

Senator WARNER. That imbalance has existed for some period of time, has it not?

General SHELTON. It has been for some period of time, but it has gotten, in many cases, progressive. As you recall, back in 1997 when we started the downsizing of the force, out of the 1997 QDR, which is where our shape, respond, and prepare strategy came from, the force as it started coming down, certain elements of that force in particular started moving into the category of low density/high demand types of force structure.

We have more of that now than we had back in 1997, for sure, some 32 types of units, or capabilities, and so part of the Quadren-

nial Defense Review is going to be to be sure we have the balance back, that we have a strategy that can be carried out by whatever force structure it is we decide that we want, and an iterative process that makes sure that when we decide what our strategy should be for the future, as the Secretary has talked about, that we have the force structure in balance.

Senator WARNER. In my time in working with the Chiefs, I found a reluctance in years past to acknowledge what this Secretary and President are bringing to the forefront, that mismatch, and not only acknowledge it, but put it in as a reality and enunciation of a new strategy by this country.

Now, walk us through the discussions in the “tank” on this issue, because it has been my recollection that the tank, and I use that term respectfully, has vigorously adhered to keeping the prior public enunciation of our capabilities, even though there was a mismatch. What changed this time among the Chiefs to now support the Secretary’s change?

General SHELTON. Well, I think, Senator Warner, that we may be getting the cart in front of the horse a little bit, in that the terms of reference as they are laid out right now have within the terms certain types of military capabilities that this Nation would need to have.

Senator WARNER. Need to have? That they do not have now, but must get?

General SHELTON. Or that we have a capability that we want to try to preserve as a part of the future, for the future. That will emerge from the Quadrennial Defense Review as the strategy and, as the Secretary said, something he would come back to you on. As a part of that strategy, we need to make sure, as part of the QDR, that we look at the types of structure we have, and that we can carry it out.

Let me give you one example. As we have talked about before with this committee, our major theater war capabilities are really only for one theater in the area of strategic lift. We can move forces into one area, but in order to fight in a second one, we also have to have the capability to swing forces back in the other direction.

How much force structure you have to have ultimately can be determined by what you envision as the end state in either one of those two regions, and therefore that will determine the amount of risk you have with your force in order to be able to do more than one thing at one time.

For example, if you just wanted, as we were able to do, or as we did in Operation Desert Storm, to restore the Kuwaiti border, that takes one set of forces. If you want to be able to defend in place on the Kuwaiti border, that is another set. If you want to go beyond that, it gets to be substantially more.

Senator WARNER. General, I’ll go to a second question now. Let us talk a little bit about missile defense, Mr. Secretary. I think our President, together with your support, has taken the right initiatives to explore technologies, a range of technologies beyond what the previous Presidents have explored, staying within the parameters of the ABM Treaty.

I think our President is personally undertaking, in his last visit to Europe, as well as prior trips with emissaries from the Depart-

ments of State and Defense, to consult with our allies to lay a foundation for eventual negotiations with Russia. Hopefully that will enable us to devise a new framework, whether it is amendments to the ABM Treaty, or an entirely new framework. Then we can move ahead with a wider range of technologies to provide for missile defense, which I believe and the President believes is essential to this country.

Now we are at the juncture where you are going to send up the specifics of the fiscal year 2002 budget amendment. In my judgment, we cannot get out ahead in any way of the existing terms of the ABM Treaty until the President has successfully worked out amendments and a new framework with Russia.

Could you advise us as to how the fiscal year 2002 budget amendment is going to address the President's initiatives to expand the type of system to address missile defense, and at the same time have Congress act on the amended budget? In my view we will act on it before finalization in all probability of the negotiations between our government and Russia.

Secretary RUMSFELD. Yes, sir. The President, in his visit to Europe and his meeting with Russian President Putin, indicated that the ABM Treaty in its present form restricts the kind of research and development that he believes is desirable and appropriate for this country if we are to avoid a situation where the Saddam Husseins or Kim Jong-Ils of the world can hold our population centers hostage.

What the 2002 budget will have is some money for missile defense research, development, and testing. It is not clear which piece of those various research projects will move forward at what pace. There are legal disagreements among the lawyers as to what extent the treaty constrains certain types of things. I am not a lawyer. My attitude about it is, we need to get with the Russians and let them know we plan to establish a new framework with them. We need to move beyond the treaty, and we need to be free to perform certain kinds of research and development activities.

The President told President Putin that, and he asked Secretary Powell and the foreign minister of Russia, and he asked me and the defense minister of Russia, to begin meetings to discuss this, and get up on the table the elements of a conceivable new framework. We are in the very beginning stages of that.

Senator WARNER. It seems to me we have to go ahead and act on the fiscal year 2002 budget amendment within the parameters of the Missile Defense Act of 1999, which is the controlling law, and in all probability the progress that this administration will hopefully make on a new framework can only be addressed in the 2003 budget.

Secretary RUMSFELD. No. I would think the 2002 budget, with its portion for missile defense, ought not to be a problem in that regard, and that it could be acted on by Congress with the understanding that we are in discussions, which is the second part of the Missile Defense Act, as I recall. We are in discussions with the Russians about how we can establish a different framework and free ourselves of unnecessary restrictions with respect to the testing issues.

Senator WARNER. My time is up. I would ask that my opening statement be included in the record at this time.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

Thank you, Mr. Chairman, and thank you for holding this important hearing on the Bush administration's evolving national defense strategy.

This is clearly a critical juncture in our military history, and in the history of our Nation. We all accept that the United States has assumed a unique leadership role in the world today, especially in the realm of international security. If democracy and market-based prosperity are to flourish and expand, international security is the essential foundation. Likewise, here at home, we must have a strong sense of security, especially against the proliferation of weapons of mass destruction.

Striking the proper balance between existing military capabilities to meet current threats and concerns, while simultaneously weighing future threats and planning the future configuration of forces and equipment is a challenge. I am reminded of Dwight D. Eisenhower's sobering admonition: "I hope there will be no more warfare. But, if and when such a tragedy as war visits us again, it is always going to happen under circumstances, at places, and under conditions different from those you expect or plan for."

The monolithic threat posed by the Soviet Union during the Cold War years has changed profoundly, replaced by diffuse threats from an increasingly interdependent, but fractious global community of nations. We do not know from where the next challenge to our freedom, security, and vital national interests will come, but of one thing we can be sure—it will come, and we must be ready.

The primary purpose of U.S. military forces is to have the demonstrated capability and readiness to deter war—and, if deterrence fails, to fight and win decisively—both now, and in the future.

Because we cannot predict with certainty where, when, and with whom we will have to fight, and we want first and foremost to deter, we must have balanced land, sea, and aerospace forces that are characterized by exceptional lethality, precision, flexibility, and versatility. Lethality and precision will increase as our technology matures. Flexibility and versatility require robust, balanced forces capable of responding to anticipated contingencies; forces that can quickly adapt to unanticipated contingencies, and provide the Nation a hedge against uncertainty—both now and in the future.

There is general consensus our extensive intelligence, surveillance, and reconnaissance capabilities need to improve considerably to cope with the challenges of this complex, interconnected new world. Even with improvements, however, our intelligence will never be perfect and we must not allow necessary investments here to give us a false sense of security—we have been surprised before and we will be surprised again—at a time and place we will not be able to choose or predict. We must have the robust, balanced, versatile forces to respond—now, or 15 years from now.

My conversations with military leaders around the world indicate that the foundation for success in military missions short of war, such as peacekeeping, engagement activities, and small-scale contingencies, is disciplined, well-trained forces, ready to prevail in the most intense type of war—both now, because it will happen unexpectedly, and in the future.

To you, Mr. Secretary and to you, General Shelton, falls the important and often thankless task of assessing the international security environment, crafting an appropriate defense strategy, and making recommendations about the capabilities and forces necessary to execute that strategy. We all recognize it is a simple concept, but an exceptionally difficult task. Too often, past strategy reviews have focused on what we think we can *afford*, as opposed to a thorough assessment of what we *need* to ensure our broad national security objectives.

Mr. Secretary, I commend you for the prudent, thorough process you have undertaken to review our defense strategy and key functional components of the Department, in preparation for the Quadrennial Defense Review (QDR). Clearly, this QDR requires strategic guidelines to focus the efforts of the military departments, the Joint Staff, and the defense agencies.

Today, we look forward to hearing your preliminary conclusions from this review process and your vision of a defense strategy for our Armed Forces that meets the needs of our Nation and balances our strong, enduring ties to Europe, our growing interaction with Asia and the Pacific Rim nations, and our global commitment to democracy, unencumbered trade, and human dignity.

The framers of our Constitution anticipated the future needs of our Nation well, establishing interdependent branches of government to ensure thorough discussion and debate of matters of high national interest, such as our National Security Strategy and our military strategy. I genuinely look forward to the dialogue, discussion, and debate ahead as we craft a defense plan that will realistically address our defense needs—both now, and in the future. Clearly, we must prepare now for the future, but not at the expense of thorough readiness and vigilance, today.

The world continues to abound with tyrants and lawless elements that threaten international security and, increasingly, our own shores. It is imperative that we have sufficient forces and the right capabilities that will allow us to maintain our international leadership commitments, deter aggressors, and decisively defeat those who doubt our resolve.

I thank you both for your extraordinary service to your Nation, and for your testimony today. I cannot overstate the importance of this process we begin today—a collective effort to size, organize, train, and equip the types of forces our Nation deserves and our leadership role in the world demands—now, and in the future.

Thank you.

Chairman LEVIN. I gave Senator Warner some additional time because he did not have an opening statement as Ranking Member, but I did announce we are going to have to abide by a 5-minute rule, because the Secretary has to leave a few minutes after 11:00.

On the missile defense issue which Senator Warner just raised with you, I want to be very clear here on what you are telling us, because I think it is the same thing that General Kadish told us last week, but I want to be doubly sure of it, because this is really an important issue.

What General Kadish, the Director of the Ballistic Missile Defense Organization, told us is, relative to the program that he is going to recommend for this year, and his assessment of the various parts of the National Missile Defense program, was that if all of his recommendations for missile defense are adopted and implemented for 2002, that there would be no violation of the ABM Treaty because of those actions. Is that your understanding?

Secretary RUMSFELD. I have not heard him say that, nor has he briefed that to me.

Chairman LEVIN. Do you have any understanding on that issue?

Secretary RUMSFELD. No, I do not. My understanding is exactly what I said to Senator Warner.

Chairman LEVIN. Which does not relate, then, to the issue I just raised?

Secretary RUMSFELD. If General Kadish is the General who is in charge of the program, and he is fashioning and developing a new research and development approach to missile defense to test and evaluate different approaches that have not been considered previously, if he says he sees nothing in the immediate future that is going to be a problem with respect to the treaty, that is the kind of information I then would take to the lawyers, who know an awful lot more about the treaty than I do, and I suspect even more than General Kadish.

Chairman LEVIN. I think he has already taken that to the lawyers.

Secretary RUMSFELD. I would have to get advice and counsel on that. I do not think the 2002 budget is a problem.

Chairman LEVIN. In that regard?

Secretary RUMSFELD. In that regard. What I think is, we need to be moving ahead with the research and development necessary to understand what we are going to be capable of doing to deploy

a limited missile defense system, as Senator Warner said. Simultaneously we need to be working with the Russians and establishing a framework that will get us beyond a treaty that is against missile defenses.

Chairman LEVIN. The key issue here, though, is that it is possible, even pursuing your approach, that there is no conflict, at least for a year between those two paths. That is why Senator Warner said 2003, and I thought you were answering Senator Warner.

I just want to be clear on this. General Kadish says there is no conflict in 2002 with his recommendations, following the advice of lawyers. You do not yet have that analysis, and that is your answer?

Secretary RUMSFELD. That is correct.

Chairman LEVIN. Now, after the summit meeting, President Putin indicated that if the United States proceeded unilaterally to deploy a national missile defense system, Russia would eventually add multiple warheads to its ICBMs, something which we worked very hard to eliminate in the START II Treaty.

Do you believe that if that occurred, if Russia, in response to a unilateral decision on our part to move out of the ABM Treaty said, well then, we are going to place multiple warheads on those missiles, do you believe that would be something that would not be good for our national interest?

Secretary RUMSFELD. Mr. Chairman, it seems to me that President Putin and various Russian officials have said a lot of things.

Chairman LEVIN. Assuming what he said is true, do you think that is in our national interest, that they MIRV, that is, place multiple warheads on their missiles?

Secretary RUMSFELD. Could I walk into that with a preface? They have said a lot of things, and it is part of this negotiation process. Where they will end up, I do not know.

I think it is a mistake to take out a single element like that in isolation and examine it, and say it is good, bad, or indifferent. The reason I feel that way is because if they simultaneously did something else, that is to say, reduce substantially other warheads, and ended up feeling it was more efficient or cost-efficient to do that, and the net aggregate number was lower, one might say, is that bad? I do not know. I would have to look at the total picture of it. I think anyone looking at it would have to answer your question that way.

I would add that the whole construct is a Cold War construct. The Cold War is over. Those treaties were between two hostile nations.

Chairman LEVIN. But it is still in our interest they reduce the number of nuclear warheads, is it not?

Secretary RUMSFELD. That I can say.

Chairman LEVIN. It is still in our interest that they not MIRV their missiles, generally?

Secretary RUMSFELD. The reduction in the total number of warheads, what the mix might be is a separate issue, but on the total number, I would agree with you.

Chairman LEVIN. Is it relevant to us what the response would be to a unilateral withdrawal from the ABM Treaty on our part? Is

it at least relevant to us to consider what the Russian response would be?

Secretary RUMSFELD. Well, that is why these discussions and negotiations and meetings have been taking place.

Chairman LEVIN. Would you agree it is possible at least that they could respond in a way to a unilateral withdrawal which would not be in our interest? That would make us less secure. Is that at least a possibility worth considering?

Secretary RUMSFELD. I think every possibility is worth considering, Senator, but I do not yet understand what it means when I read that someone says that a treaty that is 30 years old and prohibits missile defense, is the centerpiece of an entire fabric of arrangements from the Cold War between two hostile states in the year 2001. The Cold War is over. We are not hostile states.

They are going to be reducing their nuclear weapons regardless of what we do. We are going to be reducing our nuclear weapons to some level regardless of what they do, and it just seems to me that we still have our heads wrapped around the Cold War language and rhetoric, and it is a mistake.

Chairman LEVIN. I think it would be useful for you at least to attempt to understand why the response is that way, whether you agree with it or not.

Secretary RUMSFELD. Absolutely, and we will in those discussions.

Chairman LEVIN. Very good.

Senator Sessions.

Senator SESSIONS. Thank you, Mr. Chairman. Mr. Secretary, I appreciate very much your commitment to reviewing carefully our entire defense strategy to ask where we are, what the threat is today, and what it will likely be tomorrow and in the years to come. It is time for us to do that.

I know that it makes everyone nervous. I know those in industry, the Defense Department, and committees of Congress, all of which have special fiefdoms and interests, get very nervous, but it is time to do that. I hope to be able to support you.

Perhaps I will not agree with everything that you and the President suggest, but I hope to be able to support that, and I do affirm that you are on the right course. It makes me feel particularly good to know that when you come here and ask for a policy for the next decade, that you have thought it through, you have sought the advice from the best people you can get, and given it an extensive review.

If this had been a short, cursory review, I could not have the same confidence that I expect to have in your conclusions in the future, and I do think it is time for us to change.

War is unfortunately always just around the corner. It is always a potential threat for us, and we have to think about where we will fight in the future.

You talked a good bit about missile defense. You chaired the commission on that, the bipartisan commission that unanimously recommended that we move forward to deploy a national missile defense system, and we have made extraordinary progress. The PAC-3, the Patriot missiles, are exceedingly effective, and I do not

think anyone denies that they can achieve direct-hit collision, and destroy incoming missiles.

The Theater High Altitude Area Defense (THAAD) is proving its worth in national missile defense. I am confident it is just a matter of moving forward and bringing forth this technology that we now have into a practical combination of programs to make it work, and so I salute you for that.

It has been said recently, actually in a meeting we had yesterday with the NATO Secretary General, that you have said you would deploy a national missile defense system even if it would not work. Is that your position?

Secretary RUMSFELD. Well, Senator, first, thank you for those words. You are right, change is hard, and any time people ask tough questions people get nervous, and there is no question but there is a stir as a result of the questions we have been asking.

The care that has gone into this process has been extensive, and as Senator Warner made the reference, to my proposal, implying it is mine, it is not. I had no proposal. We spent dozens of hours with the Chiefs and with the Chairman and with the senior civilian officials, and the product that has come out is not the brain-child of any one person. I am sure you would agree with that, General Shelton.

General SHELTON. Yes, sir.

Secretary RUMSFELD. It is a product that is still in its formative stage, and certainly I would not want to suggest for a minute that it came out of my head. Deploying missile defense if it does not work, and I am glad you asked it, it is a wonderful question, and you are quite right, I have been badly quoted on that.

The reason I said that was that I was asked a question as to, can you imagine a circumstance where you would deploy something that had not been fully tested, not that it would not work, but it had not been fully tested, and the answer was yes.

The United States has been doing that for a long time, and certainly in the Gulf War the General could give you an example of a developmental program that was in its early stages, and was seized from that developmental program, brought into the theater, used very effectively on behalf of the country, not tested, not deployed, but used.

So I would say two things, yes, it is perfectly proper to use in a conflict, in an unusual circumstance, developmental programs that have not been fully tested, that have not reached all their milestones, that have not reached their so-called initial operating capability date.

Second, I have been asked the question, would you deploy something that does not work in a different sense, that it may not work all the time, and what good would that be, and I have said, of course I would be delighted to deploy something. I mean, that is like saying if your car does not work all the time, you do not want it, you want to walk. We do not have a weapons system that works all the time. I do not know of one. I do not think there is one.

Indeed, the dumb weapons have a very small percentage of actually working, the ones that you hook in, let go, and go for something, the total number of times they achieve that is a relatively

small fraction. The smart ones are still not up at 100 percent, likely not up in the 1990s.

Now, it varies from weapon to weapon, but the idea that you cannot do something until it is perfect would mean that we would not have any weapon system on the face of the earth.

Senator SESSIONS. Thank you. Well said, and I agree with that. I would just say, with regard to the Russians, it seems to me exceedingly unwise for us to bind ourselves irrevocably to a treaty that lawyers tell me is not binding on us, strictly as a legal matter, with a nation that no longer exists. To just absolutely bind ourselves to that, would it make it more difficult for us to negotiate a new relationship with the Russians, if we took the position that we are just absolutely never going to violate this treaty, when even within its own corners it allows us to violate it with notice?

Secretary RUMSFELD. Yes. I think the minute you enter into a set of discussions, and you preemptively give the other side a veto over the outcome, you have disadvantaged yourself enormously.

The President, of course, did not give the Russians a veto in his meetings. He pointed out properly that Russia would not have a veto on, for example, NATO enlargement, nor would they have a veto on this, because the treaty permits a 6-month notification and withdrawal from the treaty. What the President said was, not that the Russians would have a veto, or anyone would have a veto, but rather that he wants to enter into discussions so they can establish a new framework and get beyond the treaty, because the treaty is inhibiting and preventing the United States from protecting its population.

Senator SESSIONS. I think it is very critical that this Congress does not place a veto on the President in this matter. I thank you for your leadership on this very important matter.

Secretary RUMSFELD. Thank you, sir.

Chairman LEVIN. Let me read the order of recognition: on the Democratic side, Senators Reed, Bill Nelson, Landrieu, Ben Nelson, Akaka, Cleland, Lieberman, and Dayton. On the Republican side, Senator Thurmond was here, and next would be Senators Smith, Allard, Collins, Bunning, and Roberts.

Senator ROBERTS. I could be Senator Thurmond if you wanted me to. [Laughter.]

Chairman LEVIN. No comment. [Laughter.]

Senator LIEBERMAN. Mr. Chairman, may I say I am privileged to know Strom Thurmond and Senator Roberts. [Laughter.]

Senator SESSIONS. They went to high school together. [Laughter.]

Chairman LEVIN. Let's see, there are at least 10 of us here, and we have about 50 minutes, so we just have to abide by the 5-minute rule, and we will now call upon Senator Reed.

Senator REED. Thank you very much, Mr. Chairman, and thank you, Mr. Secretary, for your testimony. I listened to your testimony, and you have laid out a daunting set of challenges for the Department of Defense, and I think everyone would also conclude, a very expensive set of challenges for the Department of Defense. One of the issues I find somewhat disturbing is the 10-year budget forwarded by the President and adopted by Congress ignores, essentially, the cost of facing those challenges.

Unless you are proposing to do all the things you want to do with very minimal increases in the current defense budget, the money has not been included in the budget. In fact, what has been included, as we all know, is a significant tax reduction, and now we are facing issues of real national security concern with diminished resources, and frankly, without the limited budget plan with appropriate attention to those challenges, so I wonder, what are you going to do?

Secretary RUMSFELD. Senator, let me say three things, and I will try to be brief. I recognize the time constraint. First, the 2001 supplemental is up before Congress. The 2002 amended budget should be coming up very soon. There is no question but that there is a tension between demands for various types of programs, including defense. We are going to have to make tradeoffs between current capability, investing for the future, and investing in people.

I will also add that I think we are going to have to come to Congress and ask for some freedom to manage. That is, some relief from some of the restrictions, inhibitions, and restraints that cost money, that make managing that Department considerably more difficult. I am convinced we could find savings in the Department if we are given the ability to save the money, so it is going to be a combination of the tension between the other various things that exist, plus finding savings, and plus getting an increase, and plus making tradeoffs between the present and the future.

Senator REED. As someone who has been a long-time observer and participant, you have pretty good instincts. How much do you think you can save, and how much extra do you think you will need to do what you have described in general concepts today?

Secretary RUMSFELD. I am not in a position to answer that question. I think I will be able to answer it during this year. I have said this in the committee before, we do not know the answer to this. I cannot prove it, but every expert who has looked at the base structure says it is 25 percent too big. If we had the ability to make some adjustments in the base structure, there is no question that over a period of time, not immediately but over a period of time, we could save some money.

We have a large number of things that we are doing inside the Department of Defense inefficiently that could be moved out to the commercial sector and privatized. I know that, the three Service Secretaries know that, and we are determined to do that.

There are some other things that can be done. As everyone on this committee knows, some important steps have been made in privatizing housing, for example, and using leverage, getting many more units than you would get if you just bought them dollar for dollar.

The same thing is true, conceivably, with respect to forward funding on shipbuilding. There are a range of things we are examining, and we will be coming before the committee, and hopefully we will be able to quantify it later.

Senator REED. Mr. Secretary, I appreciate that, and frankly I think given your expertise as a manager you will probably bring out every type of savings conceivable in the Department, but my suspicion also is that you will be coming up here and asking over a 5-year plan for hundreds of billions of dollars that have not been

provided for within the context of the budget. That will be a serious issue.

I recognize, as you do, that we do not want to launch into major decisions without careful review. The needs of the Department of Defense of that magnitude are not a surprise to anyone on this committee, and I think even in Washington, and so I am a little bit troubled and disturbed by that.

Mr. Secretary, in your testimony, where you make a behavioral assumption about the bad old Soviet Union and the equally bad, or even worse, present threats, where you say, quite definitively, that there are differences between the Soviet Union and say, for example, North Korea, and growing up in the 1950s and 1960s, I do not think anyone slacked off in criticizing the dictatorial nature of the obsession with the Soviet Union for expansion.

What has happened? I mean, why are we now more disturbed about North Korea than you seem to imply we were back in the 1950s, 1960s, and 1970s?

Secretary RUMSFELD. I did not mean to suggest that. There is no question but that the Cold War was an enormously difficult period, a very tense period. The standoff was a dangerous one, both from the standpoint of nuclear conflict and conventional conflict, and the expansionism in the Soviet Union was real and active throughout the world on multiple continents.

The difference I tried to draw is that mutually assured destruction, when you are dealing with the Soviet Union of old, is different than I think mutually assured destruction is when you are dealing with a Kim Jong-Il or a Saddam Hussein. To the extent they have very powerful weapons, they do not have governments, they do not have inhibitions and restraints on them. They have vastly more personal and individual ability to act at their own whim and determination, and do it repeatedly.

They do things we consider totally outside the scope of human behavior with respect to their own people. They have used gas on their own people in Iraq. We know that. We know that in North Korea they are perfectly willing to starve their population to feed their war machine. That was my point, and not that in either case they were nice people.

Senator REED. I do not think you made that point, but we are basing some significant policy judgments about behavioral perceptions, and I think we may have to do a little bit more work on those behavioral perceptions.

Chairman LEVIN. We are going to have to move on.

Senator Smith.

Senator SMITH. Thank you very much, Mr. Chairman. Good morning, Mr. Secretary, General Shelton.

Mr. Secretary, I would just like to pick up for a moment on what Senator Sessions was talking about, and commend you for the task you are undertaking with a complete review of the Defense Department.

It is a huge bureaucracy. Some would call it, perhaps, Byzantine in nature, but its task really is the most important function our government has, which is to defend our country. Frankly I do not think you have been praised enough for trying to ensure the dollars are spent wisely, that our military policies are coherent, and an-

swerable to the taxpayers. I think you understand that you have to ensure that our military can meet any threat posed by another nation.

So I hope that those of us in Congress, even those who disagree from time to time on certain aspects of it, will help you rather than impede or belittle what you are trying to do. I must say, as I think Senator Sessions alluded to, it is frustrating for us all not to know what is going on in the Department of Defense. We are not getting any "leaks," but that is a compliment to you and your staff. I hope you can keep those people on board because they are doing a good job for you.

I think there are those who are going to really go after you on missile defense, and you can defend yourself without me doing it for you, but I believe with all my heart, when the books are written and we look back on this era 20, 30, 40 years from now, or maybe even less, you are going to be vindicated.

Missile defense needs to be tested; we test for cancer. We have not found a cure for it yet. We have not stopped testing, nor should we. So I believe fervently that missile defense will work. I think you are going to be proven correct, and so I would encourage you to stay the course.

I have one question on space, which I know is a great interest of yours. On the creation of the position of Under Secretary of Defense for Space, Information, and Intelligence, have you determined when you might name a nominee, or do you plan to name a nominee in the near future for that position?

Secretary RUMSFELD. The current position is Assistant Secretary for C³I, and we have interviewed a number of people, and the President has not yet made an announcement with respect to a nomination, but we certainly recognize the importance of the issue.

As to whether that ought to be an Assistant Secretary or an Under Secretary, of course, was a subject we have talked about, and it was a matter for the Space Commission to address. The Space Commission, which I chaired, recommended an Under Secretary, and that recommendation was made to the Secretary of Defense, and I was then the Secretary of Defense, and I have thus far decided not to make it an Under Secretary position, so I am fighting with myself.

I am struggling. I think the importance of space merits an Under Secretary. On the other hand, I am just darned reluctant to come to Congress and say we need more higher grades and more superstructure. I want to find ways to reduce the superstructure.

Senator SMITH. Thank you.

Chairman LEVIN. Thank you.

Senator Bill Nelson.

Senator BILL NELSON. Mr. Secretary, you have a tough job. I think you are doing a good job, and I have some very specific questions, questions that I asked your colleague, Secretary Powell, yesterday in the Foreign Relations Committee, on which he deferred to you. [Laughter.]

Secretary RUMSFELD. I may refer some back to him. [Laughter.]

Senator BILL NELSON. In the various stages of a launched missile, which is really a rocket, as we go about testing different systems, I question whether or not the testing is in fact an abrogation

of the ABM Treaty, so let's take, for example, what you refer to as terminal phase, what I would call the descent phase. Is the testing of the present system that we have, where we are launching from California to Kwajalein Island, is the continuation of that testing an abrogation of the ABM Treaty?

Secretary RUMSFELD. I am so old-fashioned, I am reluctant to talk about things about which I lack reasonable knowledge and certainty of.

First of all, as I say, I am not a lawyer. The treaty is complex. There are debates on all sides as to what it means. There are people who are strict constructionists, and think they should stay tight with it. There are a lot of people who think that you should move out and reach to its limits.

I am straightforward. I would like to get the Russians to say, look, come on, we have to test, and we do not want to have someone accuse us of breaking the treaty, and let us not get into a lawyer's argument about the thing.

I am told that the program the Clinton administration was on, which is part of what you are referring to, I believe, would have required an amendment or some relief with respect to the treaty.

Senator BILL NELSON. I am not referring to the Clinton program. I am referring to the testing that we have underway, in this particular case the kinetic energy test, and I do not see that it is a violation. Secretary Powell could not say that it was a violation. He deferred it to you, and yet we hear this mantra coming out of the administration about how we have to change the ABM Treaty.

Secretary RUMSFELD. I see the distinction. I am sure that if the current testing plan were to violate the treaty, then I would have been told, because we would want to have discussed it with the Russians, and to the extent necessary we would want to have advised them at least 6 months in advance, and no one could say we had done anything wrong.

Now, the mantra coming out of the administration is this. We do not know what the best approach to missile defense will be. We suspect that the treaty is restrictive on testing anything that is mobile at sea or in the air. Now, if that is true, and I believe it to be true, and if we are convinced that we owe it to our country to proceed with testing some of those things at some place where they are ready to be tested, then obviously we are going to have to get relief under the treaty.

Senator BILL NELSON. Let us take another example, then. You talk about mobility. For example, in the mid-course phase, if we are developing a laser that would be on a 747, the testing in that research and development, is that, in your opinion, an abrogation of the treaty?

Secretary RUMSFELD. That, Senator, is a very difficult question, I am told by the experts. The airborne laser program preceded any thought of its use with respect to missile defense.

An airplane is mobile. If you decide the program is to be tested for a purpose other than you had originally planned, and that purpose is missile defense, I would think one could argue that it would begin to push up against the treaty, but again, I am the wrong person to ask. I have people looking at this.

My personal view is, we ought not to worry about all the legal pieces. We ought to go get a new framework with the Russians that establishes a regime, an approach, an understanding that makes sense for the future.

Senator BILL NELSON. Well, let me give you another example, a very specific one.

Secretary RUMSFELD. Where is Colin Powell when I need him? [Laughter.]

Senator BILL NELSON. Take, for example, on the ascent phase, what you call the boost phase, and it has been suggested that our existing systems on ships of the Aegis class would be capable of knocking down such a weapon when it would be fired. Now, those are on mobile ships. Is that an abrogation of the ABM Treaty?

Secretary RUMSFELD. Well, I am going to be careful again, and I am just going to answer the same way. It is my understanding that the treaty restricts testing of mobile and antiballistic missile capabilities, and an Aegis ship is certainly mobile.

Senator BILL NELSON. Mr. Chairman, what I would love to do, since obviously we are all rushed here, is to have a chance to get into this in depth with whomever the Secretary would designate, whether it be in open session or closed session, at your discretion, because where I am going with this is that if we have robust research and development with robust testing, in my opinion, I do not see that this is an abrogation of the treaty.

Clearly, in my opinion we need, for the sake of the defense of the country, to proceed with robust research and development, but you cannot deploy something that is not developed, so all of the wringing of hands over the abrogation of the treaty seems to me to be a little premature before something has been developed. I would certainly appreciate it very much, Mr. Chairman, if we could get into this in depth.

Chairman LEVIN. We will keep the record open for questions to the Secretary. We will be having hearings on this subject, both open and closed, over the next few months, but the first opportunity will be that we can ask questions for the record because of the time crunch we are now in.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman. Welcome, Mr. Secretary and General Shelton. There are many issues I would like to discuss with you this morning, but because of time constraints, which are so strict, I am only going to be able to bring up one.

Mr. Secretary, it seems that every week brings yet another report of yet another study that has been launched or is underway at the Pentagon. You and I have discussed before the confusing and conflicting signals from the Pentagon about the future of two major developmental programs for the 21st century that this committee has strongly supported, and those are the Navy's DD-21 destroyer and CVN-X carrier programs.

I want to briefly summarize a series of events that have occurred in just the last week that are yet another example of my concern about these confusing and conflicting signals. On June 12, retired Air Force General McCarthy presented the conclusions and representations of the transformation panel. The General's prepared presentation of 21 slides contained no mention whatsoever of either

the DD-21 or the CVN-X program. However, in a subsequent session with reporters, in response to a specific question, General McCarthy stated, "we were not persuaded that they were truly transformational."

Now, 6 days later, press accounts quoted General McCarthy as clarifying that the transformational panel had not recommended the transformation of either the DD-21 or the CVN-X program. Rather, the General said, it reflects a recommendation not to accelerate these programs or to increase funding.

In the same press account, retired Admiral Stan Arthur, who served with General McCarthy on the transformation panel, stated, "I certainly consider the DD-21 and CVN-X to be transformational platforms, as well as enablers for follow-on joint force deployments," and he suggested that the two programs were not evaluated by the panel and that the conclusions of the panel should not be interpreted as a recommendation that either program be delayed or cancelled.

Similarly, although the Navy continues to award contracts related to the development of the DD-21, it unexpectedly and indefinitely delayed the down-select decision last month, just days before the final offers were due.

Mr. Secretary, there is widespread agreement among all the experts that I talked to, among all the naval leaders, that there needs to be more stability in our approach to shipbuilding, and yet the actions of the Pentagon appear to be creating instead more chaos and more uncertainty. I would like to have you comment on that, and I would also like to know, did the transformation panel in fact seriously evaluate the DD-21 and the CVN-X?

Secretary RUMSFELD. Senator Collins, thank you for your question. You call for more stability to shipbuilding. Let me describe what I found on arriving from Chicago and becoming Secretary of Defense. I found there is stability. We are funding shipbuilding at a rate which will move us smartly down to about 220 ships.

Senator COLLINS. That is of great concern.

Secretary RUMSFELD. But there is a very stable policy that has evolved from this Congress and the executive branch over a period of time that we are building ships that will move us to 220. My personal view is that is not enough ships for the Navy.

With respect to the chaos, as you characterize it, there is none. Any time that anyone asks a question, it is going to make people nervous. I felt that we needed to look at the shipbuilding program and the other programs, and so we formed not a host of studies, but we formed an acquisition reform study, which has reported to this committee; a financial management study, which has reported to the committee; missile defense, which has reported; morale and quality of life by Admiral Jeremiah, which has reported; space, which has reported; and transformation, which is the one you are referring to.

We have three still underway, one on crisis management, one on nuclear forces, and the one that we have just concluded on the strategic review. We have delayed one on intelligence and one on metrics.

There is no mystery about these studies. There is not yet still another, but we have asked tough questions. I intend to keep on ask-

ing tough questions, and I recognize that it is going to make people nervous.

The short answer on the weapon systems you have raised is that they will be addressed in the Quadrennial Defense Review, and in the bill for the 2003 budget. I have not had briefings or presentations on any one of those weapons systems.

We believe, correctly, I believe, that the way to begin this process is to look at the strategy, to look at the nature of the world we live in, and to see what our circumstance is, and therefore what kinds of capabilities we need.

We now have the terms of reference for the Quadrennial Defense Review, and we are just beginning the process. I was not aware of the briefing by General McCarthy. What happens with the study is, you get an outside group or an inside group. They have a variety of opinions, they offer their opinions, they make their opinions public, and they do not represent departmental decisions. They should not be taken as such, and people should not be nervous or concerned about them.

Chairman LEVIN. Thank you very much, Senator Collins.

Senator Ben Nelson.

Senator BEN NELSON. Secretary Rumsfeld, General Shelton, it is good to see you again. My question is going to follow up on the question of development and deployment of a missile defense system, and it may apply to any kind of development and deployment of any other kind of weapon, whether they are dumb weapons, smart weapons, whatever they may be.

I guess I am concerned about what the cost versus success ratio should be before we deploy something if we are in the development phase. Obviously, the cost to deploy dumb weapons would seem to be rather low by comparison to smart weapons, or to a missile defense system with laser capability, et cetera.

Is there a way of deciding whether or not the deployment costs versus the success potential, is there a ratio that we look at? Does it have to be 50 percent successful, 45, 80 percent? Obviously, 100 percent is not an appropriate ratio, but probably a 20 percent success ratio is cost-effective on dumb weapons because of the low cost, but what level on the more expensive weapons is the ratio important, and have you tried to quantify what it might be?

Secretary RUMSFELD. I have not. The experts on ballistic missile defense have, and they have looked at the subject over—

Senator BEN NELSON. I do not mean to get into something that is a security issue.

Secretary RUMSFELD. No, no, I understand, but they have been looking at these subjects over a period of more than two decades, and no decision has been made to deploy, so it is clear that for whatever reasons, either the treaty, or cost, or technology, they have not found the right combination of things that have led to an agreement on deployment.

Your point is a good one. There is no question that if something is quite inexpensive, one is more willing to go ahead and make the investment and have that capability, even though its percentage effectiveness might be somewhat lower, but in terms of having some magic formula, there just is not one.

Senator BEN NELSON. I would be very concerned if it was about 10 percent successful, and we were looking at spending hundreds of billions of dollars that would then be taken away from other priorities within the Defense Department. I would hope that as time goes by, we might have more information about how successful it needs to be before we deploy, because obviously the development side is based on trying to get it more successful and improve the ratio, so that we know that when we deploy it, it is going to be 80 percent successful, 75 percent successful, and achieve some understanding before we move to that level.

But I am not hearing a discussion like that coming out of the Pentagon. I am hearing more comments that it is like a scarecrow. It is worth putting up because it might be successful. Or I have had one of my colleagues say, well, if it saves us from one incoming missile, that it will be worth it.

What I would hope is that we would come to some scientific basis, because it is a lot easier to talk about that. It is very difficult to argue against saving one city. Nobody wants to put it in those terms. But we cannot save one city with something that then makes us more vulnerable in other areas that are more likely to be open to attack.

Secretary RUMSFELD. Senator, I have seen those columnists who have made fun of me, calling it the scarecrow approach, because I am willing to deploy something that does not work. As we discussed earlier, practically nothing works perfectly in life, and you are absolutely correct that there has to be a relationship between cost and benefit, and those calculations arrive basically at the theme you are getting at—you think your testing has worked out, and you are ready to begin talking about deployment of some kind, and that is where that calculation would come in.

Senator BEN NELSON. I would feel much more comfortable if we can ultimately move to that kind of discussion, and perhaps it could be a secured sort of discussion. I would like to have it, though, as we move forward.

Thank you.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Bunning.

Senator BUNNING. I would like to ask unanimous consent that an article in today's *Chicago Tribune* be put in the record.

Chairman LEVIN. It will be made part of the record.

[The information referred to follows:]

NATO PLAN IN BALKANS A DILEMMA FOR BUSH

U.S. MULLS JOINING ANTI-REBEL EFFORT IN MACEDONIA

[By John Diamond, Tribune Staff Reporter, *Chicago Tribune*]

WASHINGTON—The NATO alliance said Wednesday that it is willing to send 3,000 to 5,000 troops to Macedonia to disarm ethnic Albanian rebels, leaving President Bush facing a decision on U.S. participation.

"We are, I think, doing everything that has been asked of us so far," Secretary of State Colin Powell said Wednesday on Capitol Hill. "But we have not yet made any commitment of troops to the purpose of this potential disarmament mission."

The U.S. has 9,000 peacekeepers in Bosnia-Herzegovina and Kosovo, including about 700 in Macedonia working in support of the Kosovo operation. The question of whether to expand U.S. military commitment in the Balkans runs up against Bush's stated goal of bringing home as soon as possible the troops already there.

But a decision against contributing to a deployment could undermine Bush's pledge, reiterated last week in his visit to NATO headquarters, that "we went into the Balkans together, and we will come out together."

NATO offered to send troops once Slav and ethnic Albanian leaders had reached an agreement to end fighting in the troubled republic. The U.S., having voted in support of the Macedonia mission at NATO headquarters Wednesday, would almost certainly face allied criticism if it then failed to contribute troops.

Powell said some of the U.S. military personnel in Macedonia might be asked to shift their work to support a new NATO mission there. Alternatively, some of the 3,100 U.S. soldiers in Kosovo, largely positioned near the Macedonia border, could move into Macedonia with a new NATO force.

At the White House, spokesman Ari Fleischer called it premature to decide on whether to send U.S. troops as part of the NATO mission.

Bush came under pressure Wednesday from a key Democratic lawmaker and from Lord Robertson, the NATO secretary general, to step up U.S. involvement in Macedonia. Some Democrats fear the ethnic clashes in Macedonia could erupt into full-blown civil war. Robertson is concerned that the U.S. might try to limit its involvement to technical and logistical support.

"We can't afford, once again, to watch and wait to see how a low-level Balkan crisis erupts into an all-out warfare while the U.S. and Europe wait to put out the fire," Sen. Joseph Biden (D-Del.), chairman of the Senate Foreign Relations Committee, told Powell.

"A limited NATO involvement now to pacify this extremely delicate and volatile situation may avoid the need for more extensive and difficult intervention later," Biden said.

Rebel accord a requisite

In Brussels, the 19-member NATO alliance said it is prepared to send troops into Macedonia to run a disarmament operation once the government and rebel forces reach an accord. NATO's North Atlantic Council, with the U.S. participating in the unanimous decision, ordered military forces to begin planning for what could be a brigade-size troop contingent. Robertson said that would be between 3,000 and 5,000 soldiers.

Britain, France, Spain, Greece, the Czech Republic, the Netherlands and Norway have all said informally that they would contribute to the Macedonia force. Robertson, in Washington this week for meetings with Powell, Bush and Defense Secretary Donald Rumsfeld, made clear he wants U.S. participation.

"This is an alliance of 19 countries, and I would expect and hope that all of these countries would be involved in doing their maximum," Robertson said.

A country of 2 million and about the size of Vermont, Macedonia was part of Yugoslavia until the post-Cold War breakup of that country. As in Kosovo, ethnic Albanians in Macedonia, comprising 22 percent of the population, have been complaining of discrimination and demanding greater rights and freedoms for years.

NATO's action Wednesday came in response to a request from Macedonian President Boris Trajkovski, who hopes the prospect of NATO's involvement will help move negotiations stalled over an ethnic Albanian demand that Macedonia be partitioned. U.S., NATO and European Union diplomats are on their way this week to Skopje, the Macedonian capital, for further efforts at mediation.

'Not an armed intervention'

If an agreement is reached and the troops go in, the NATO mission would be limited in scope and duration. Officials in Brussels said it could be over in as few as 30 days.

"It will happen when and only when there is an agreed cease-fire. This is not an armed intervention," Robertson said. The troops, he said, "would be carrying weapons for their own protection," but not in anticipation of getting involved in any fighting. In a letter sent Wednesday to Macedonia's president, Robertson said NATO forces would not become involved in establishing any ethnic demarcation lines.

Powell said the NATO mission would be to "provide disarmament points, places where these individuals who have taken up the gun can turn in those guns and return to civil society, and return to the political process." He emphasized that NATO would not be "going out fighting people to disarm them."

The existing U.S. troop deployments to the Balkans were begun by Clinton in response to ethnic warring through much of the 1990s. While the peacekeeping missions in Bosnia and Kosovo have succeeded in halting fighting, current and former U.S. officials are aware that NATO was slow to intervene.

"We were late in Bosnia, we were late in Kosovo, we can't afford to be late in Macedonia," said Robert Hunter, a Rand Corp. analyst and U.S. ambassador to NATO under Clinton.

Senator BUNNING. Thank you.

Secretary Rumsfeld, early in this administration, support was expressed for ending our involvement in Kosovo and bringing our troops home. Several months ago, I had the opportunity to visit some of the soldiers from the 101st Airborne at Fort Campbell. About 3,000 of them went on June 1 to Kosovo. They all expressed hesitation about the pending deployment to Kosovo, and their morale was not good. They asked why they are being deployed for peacekeeping activity. They did not believe that was their mission.

I plan on visiting the 101st in August. What do I tell them when they ask me when they will be able to come home and when our peacekeeping activity will end?

Secretary RUMSFELD. Senator, when the U.S. forces were put in there was not a deadline set, nor has there been.

Senator BUNNING. Not by the administration, but by Congress there was. There were deadlines that were ignored by the administration.

Secretary RUMSFELD. I recall that with respect to Bosnia. I am just not knowledgeable on Kosovo.

Senator BUNNING. It was also Kosovo.

Secretary RUMSFELD. I was not here at the time. Is that true? Do you know, General?

Senator BUNNING. We have had this discussion before, General, in our conference.

General SHELTON. Yes, sir, we have, and certainly, Senator Bunning, if I could just respond on the morale piece and the question of peacekeeping.

I just returned from over there this past month. Bill David and the 101st troops were in the process of starting to come in, but certainly what I have encountered on each of my relatively frequent visits into the region has been great morale and a great sense of accomplishment from the troops that are performing the job there and, of course, they are doing a magnificent job.

That does not get at the question of when it will end, but I think that as you understand, and as the Secretary has said on many occasions, militarily we have provided the safe and secure environment to allow for the civil implementation pieces to be put into place and that is the key to the long term. It is also the key to us being able to pull all the troops out and not have it revert back, all the NATO troops coming out, to include the Americans, and that is taking a lot longer than it should, and that has been the push.

I know that it is the right way ahead from a military perspective. Until we fix that, we are in danger of the whole thing not being a success if we arbitrarily just pull the forces out.

Senator BUNNING. Well, the article that I included in the record was in regard to Macedonia and the NATO alliance's willingness to send 5,000 additional troops into Macedonia to disarm the Albanian rebels.

Secretary Powell says it will not include the U.S. troops. My question to both of you is, are U.S. troops going to be committed for that purpose and, if so, for how long, and at what cost to the American taxpayer?

Secretary RUMSFELD. The Secretary of State was speaking for the President when he indicated that the United States supports the NATO process, which is going forward. There has not been a specific request. Secretary Powell indicated there is no commitment for U.S. forces to go into Macedonia.

We currently have, I think, somewhere around 500 to 700 troops, depending on rotation, in-country, that are basically the back office for the forces that are in Kosovo, and they are doing some variety of advisory type assistance at one stage, but the President has not made any decision. The government of Macedonia has not requested NATO to come in.

I think the only basis on which the Secretary General of NATO yesterday indicated that NATO would go in would be not to go in and disarm, rather, to receive the weapons in a permissive environment, and he used the number, the possibility of total NATO forces of something in the neighborhood of 3,000, as I recall.

Senator BUNNING. Last question. General Shelton, I ask you, do you believe it is wise to use combat forces for civil missions? In other words, the 101st is combat-ready, probably the best in the country, the best you have, and now we are using them as police officers.

General SHELTON. Sir, first of all, I think it becomes a policy issue about where troops are used, but I would say that—and I agree totally with your assessment, the 101st, the Screaming Eagles, are a great outfit, well-led, well-disciplined troops.

As UN Secretary General Kofi Annan said at one point, the best peacekeeper in many cases is a well-trained infantryman, but I think what we have to guard against are the long-term deployments that tend to erode your combat effectiveness. When the 101st goes in, the infantry portions of that outfit will be trained and ready to go. Over a period of time, in 6 months, that readiness for warfighting, for carrying out their really tough missions like night live fires, or night attacks, go down substantially, which means they will have to be trained back up to par.

While they are there, their morale will be high, and I am confident I have not run into troops there yet who did not have a great sense of mission accomplishment. However, once we bring them out, it will require a period of time, and that adds to their optempo, their perstempo, because they have to go back to the field. They go back to the training centers, and that is part of this personal tempo, operational tempo that we are having to manage.

I believe that we can carry out anything along the entire spectrum, from disaster assistance to warfighting, but we have to make sure that we get the balance right, because when we start using the troops too often on the low end, it detracts from keeping them ready.

Senator BUNNING. Thank you, General. I have an additional set of questions I would like to submit to both of you, and you can submit the answers in writing.

Chairman LEVIN. The record will be kept open for 24 hours for that purpose.

Senator BUNNING. Thank you.

Chairman LEVIN. Senator Cleland.

Senator CLELAND. Thank you very much, Mr. Chairman. I would like to take this opportunity to commend you both for coming here and, indeed, the President for undertaking this strategic review.

From what I have been able to discern, many legitimate reforms—and I define legitimate as improving the security of the people of the United States—will come from it. I intend to fully support these legitimate reforms. However, I have serious doubts and reservations that the issue of national missile defense has been given too great a priority in your calculations.

Sam Nunn, the distinguished former Senator from Georgia, has, I believe, put this matter in proper perspective in a June 12 editorial, when he states, “the likeliest nuclear attack against the United States would come not from a nuclear missile launched by a rogue state, but from a warhead in the belly of a ship or the back of a truck delivered by a group with no return address.” The briefings I have received on the missile capabilities of so-called rogue states bear out Senator Nunn’s position.

Mr. Chairman, I would like to ask unanimous consent that two articles be put in the record: first, Senator Nunn’s full article on the subject; and second, an article from NBC News, “How Real is the Rogue Threat?”

Chairman LEVIN. They will be made part of the record.
 [The information referred to follows:]

WHEN BUSH MEETS PUTIN

(By Sam Nunn, *The Washington Post*, Tuesday, June 12, 2001)

Despite the broad agenda facing Presidents Bush and Putin at their summit meeting this weekend in Slovenia, media attention has tilted toward one particular plot line: Will President Bush make progress in persuading his Russian counterpart to drop objections to U.S. missile defenses? It is a story line that is interesting and important—but dangerously out of focus.

The clear and present danger is not from North Korean missiles that could hit America in a few years but from Russian missiles that could hit in 30 minutes, and from nuclear, chemical and biological weapons and materials in Russia and the former Soviet Union that could fall into the hands of terrorist groups. The likeliest nuclear attack against the United States would come not from a nuclear missile launched by a rogue state but from a warhead in the belly of a ship or the back of a truck delivered by a group with no return address.

President Bush’s challenge, which will hover over his efforts this weekend and beyond, is to prepare for the more remote threats without leaving us more vulnerable to the immediate ones. His success should be judged not by whether he wins Russian acquiescence on missile defense but by whether he can begin to broaden and strengthen cooperation with Russia in defending against our common dangers. The goals: ensuring strategic nuclear stability, reducing the risk of accidental launch, cutting the risk of terrorist attack, countering the threat of a rogue nation’s attack, and limiting the spread of weapons of mass destruction by safeguarding weapons, materials and know-how throughout the weapons complex of the former Soviet Union.

The threats we faced during the Cold War—a Soviet nuclear strike or an invasion of Europe—were made more dangerous by Soviet strength. The threats we face today—accidental launch, the risk of weapons, materials and know-how falling into the wrong hands—are made more dangerous by Russia’s weakness.

We addressed the Cold War’s threats by confrontation with Moscow, but today there can be no realistic plan to defend America against nuclear, chemical and biological weapons that does not depend on cooperation with Moscow. George W. Bush said as a candidate: “A great deal of Russian nuclear material cannot be accounted for. The next president must press for an accurate inventory of all this material, and we must do more. I will ask Congress to increase substantially our assistance to dismantle as many of Russia’s weapons as possible as quickly as possible.” He is right—but try doing that without Russian cooperation.

Whether the Bush team wins Russia's cooperation depends in part on how skillfully it seeks it, or whether it even wants it. It's still too early to know. The Bush administration has yet to make several pivotal decisions that will define its policy on reducing the threat from weapons of mass destruction.

First is the matter of our nuclear weapons policy. Today U.S. and Russian nuclear postures may well increase the risk both were designed to reduce. The United States has thousands of nuclear weapons on high alert, ready to launch within minutes—essentially the same posture we had during the Cold War. Today U.S. capacity for a rapid, massive strike may well increase the chance of a Russian mistake. Stability is eroding because Russia's ability to survive a massive first strike is increasingly in doubt. Russia can no longer afford to keep its nuclear subs at sea or its land-based missiles mobile and invulnerable. This reduces Russia's confidence that its nuclear weapons can survive a first strike, which means it is more likely to launch its nuclear missiles on warning—believing its choice may be to "use them quickly or lose them." Adding to the dangers is the fact that Russia's early warning system is seriously eroding. If the shoe were on the other foot, the United States would be alarmed by the danger of Russia's capacity for a first strike and plans to defend against the few missiles that would be left. Our offensive posture has a huge effect on how Russia views our defensive plan. The most important element in President Bush's May 1 speech wasn't missile defense; it was his public commitment to "change the size, the composition and the character of our nuclear forces in a way that reflects the reality that the Cold War is over." If this is done right and coordinated with Russia, it could increase our security in a way that a missile defense system will not be able to achieve even 10 to 20 years down the road. These changes would also make it much more likely that Russia would agree to needed modifications in the ABM Treaty that could allow for a prudent, limited national missile defense.

A second decision facing the Bush administration is its policy on nonproliferation, particularly efforts to limit the flow of nuclear, biological and chemical weapons, materials and expertise out of Russia. More than 1,000 tons of highly enriched uranium and 150 tons of plutonium still exist in the Russian nuclear complex, enough to build 60,000 to 80,000 weapons. Storage sites are poorly secured, and weapons scientists have no steady paychecks. We have already seen hostile efforts to sell, steal and recruit weapons designs, materials and know-how out of Russia. Osama bin Laden has said acquiring weapons of mass destruction is "a religious duty." We dare not risk a world where a Russian scientist can take care of his children only by endangering ours. Earlier this year, a distinguished bipartisan task force headed by Howard Baker and Lloyd Cutler published a major report on the need to secure Russian weapons, materials and know-how, declaring it "the most urgent unmet national security threat to the United States," and calling for a four-fold funding increase for these threat-reduction efforts. The Bush budget instead cut funding 15 percent, and at least one administration official involved in the review has said we should expect further cuts. The review by President Bush must answer a fundamental question: Is keeping nuclear, chemical and biological materials out of terrorist hands a priority or an afterthought? A third decision facing the Bush administration is the matter of missile defense. There are traps on both sides of the missile defense debate. Some insist we must have it, without regard to cost, so we will never be vulnerable to nuclear blackmail by a rogue state. They should temper their rhetoric. By declaring that we desperately need missile defenses to avoid being blackmailed by a few nuclear missiles, they may invite rogue states to believe that, even though we could identify and devastate a nation that launched a missile, we would yield to blackmail if they threatened an American city with a nuclear, chemical or biological attack with or without a ballistic missile. If we had preached that doctrine during the Cold War, could we have deterred Soviet aggression around the world?

On the opposite side, some argue against missile defense of any kind, and they seem, perhaps inadvertently, to embrace the idea that the only deterrence option for the United States and Russia is the threat of nation-ending destruction, an outmoded and increasingly dangerous concept. President Bush is right to search for a way to change this Cold War posture.

A limited missile defense has a place in a comprehensive, integrated plan of nuclear defense, but it should be seen for what it is—a last line of defense. Our first line of defense is diplomacy, intelligence and cooperation among nations, including Russia. It would be far better to prevent a missile from being built than to wait eight to 10 years and hope we can hit it in mid-air on its way over here. It's not that we shouldn't have an insurance policy in case all else fails, but we shouldn't spend so much on the premium that we can't afford a lock for the door.

These three reviews now underway in the Bush administration address separate elements of the U.S. response to the threat from weapons of mass destruction. But

they should not and must not be formulated into separate policies. They must be woven into a comprehensive defense against weapons of mass destruction—in any form, from any source, on any vehicle, whether triggered by intent or accident.

The writer, a former Democratic senator from Georgia, is co-chairman of the Nuclear Threat Initiative.

HOW REAL IS THE ROGUE THREAT?

U.S. INTELLIGENCE DETAILS MISSILES THAT FALL FAR SHORT OF U.S. SHORES

(By Robert Windrem, NBC News, June 19, 2001)

As President Bush, forging ahead with a plan to build a national missile shield, continues to trumpet the threat posed by missiles from so-called “rogue” nations, no missile currently deployed by countries hostile to the United States has the range to strike any of the 50 U.S. states. Only one missile system currently being developed by a foreign nation would have such a capability in the near future, according to intelligence and expert analysis.

Of the five “rogue” states usually mentioned in discussions of missile programs, Iran, Iraq, Libya, North Korea and Pakistan, only North Korea has what can be called an advanced missile development program. North Korea’s Taepo-Dong 2 missile, still under development, would have the range to strike the United States, but likely only at Alaska’s thinly populated western edge, or under the most optimistic assessments, the city of Anchorage. While it would be the first missile strike on U.S. soil, it would do little damage to U.S. strategic interests and would almost certainly be met by a devastating U.S. counterstrike, and that would do little damage to U.S. strategic interests, say U.S. officials. Only two of the five “rogue” nations, North Korea and Pakistan, have nuclear weapons, and only Pakistan is believed to have successfully built nuclear warheads for its missiles. While U.S. intelligence believes North Korea has built one or two nuclear weapons, there is no evidence that it has built missile warheads, say U.S. intelligence sources, speaking on condition of anonymity.

LIMITED PROGRAMS

The five countries’ missile development programs are hindered by other limitations, say U.S. officials and independent experts:

- None has fielded a missile with a solid rocket engine or even tested such an engine in flight. Each uses liquid fuel engines, which require hours and in some cases days to load and fire. A solid rocket engine can be lighted and fired within minutes.
- None of the states have extensive missile-launch facilities or even missile-development facilities. North Korea’s facility on the Sea of Japan is limited to a single, unprotected launch pad and nearby assembly building, connected by a dirt road.
- None have the industrial capability to build even moderately large numbers of missiles.

North Korea’s Taepo Dong-2, the most advanced missile in development by any of the “rogue” states, has yet to be fired from the Korean’s rudimentary missile-test facility. Under the most optimistic assessments, the missile would have a range of 3,600 miles when fielded, U.S. intelligence officials say. At that 3,600-mile range, it could strike as far east as Anchorage. If its range is at the low end of estimates, 2,400 miles, it could strike only the westernmost islands of Alaska’s sparsely populated Aleutian chain. The Taepo-Dong 2, named for the city where it is built, would need a range of more than 4,800 miles to strike the U.S. mainland, and somewhat less to hit Hawaii. “North Korea has a very modest facility . . . more of a missile proving ground, like White Sands out of 1946, not Vandenberg [Air Force Base] or the Kennedy Space Center,” said Tim Brown, senior analyst for GlobalSecurity.org. The White Sands Proving Ground was established in New Mexico at the tail end of World War II by the U.S. military to test new weapons systems.

SHORT-RANGE WEAPONS

No other nation on the “rogue” list has fielded a missile with a range greater than 900 miles, according to U.S. officials. Pakistan has the Ghauri missile, which it bought from North Korea and renamed for a Muslim king who invaded Pakistan’s archrival India. Iran has yet to test any missile with a range greater than 600 miles.

Libya has only Scud-B missiles with ranges of 180 miles, and Iraq is limited by U.N. sanctions to missiles with ranges no greater than 90 miles. Although Baghdad is believed to have hid Scud missiles from weapons inspectors, none have ranges greater than 540 miles. Development programs in each of those states is aimed at incremental increases in range, officials say.

Two of the missiles, the Pakistani Ghauri and the Iranian Shehab, are derivatives of North Korea's No-Dong missiles, which Pyongyang has sold and transported by both ship and cargo aircraft to buyer nations.

"One question is how reliable these systems would be," said Globalsecurity's Brown. "Putting a crude rudimentary system in operation without doing a lot of testing is risky. Military generals want a lot of testing. The question is, is this a serious military program or a terrorist program where you wouldn't necessarily have a lot of testing?"

The United States fears that North Korea could ultimately sell the longer range missiles it has under development as well. Still, because of geography, even if the Pakistanis or Iranians bought a North Korean missile and wanted to aim at the United States instead of one of their neighbors, neither is close enough to strike even Alaska.

"ROGUE" THREAT?—MISSILE RANGES FALL SHORT OF U.S. SHORES

Iran

Scud C: 300 miles, Status—deployed
 Shehab-3: 600 miles, Status—tested
 Shehab-4: 900 miles, Status—in development
 Distance to U.S.—5,400 miles (Alaska), 7,200 miles (Mainland)

Libya

Scud B: 180 miles, Status—deployed
 Distance to U.S.—7,200 miles (Alaska), 9,000 miles (Mainland)

Iraq

Ababil-100: 60 miles, Status—deployed
 al-Samoud: 90 miles, Status—tested
 al-Hussein: 360 miles, Status—forbidden, possibly hidden
 al-Abbas: 540 miles, Status—forbidden, possibly hidden
 Distance to U.S.—5,400 miles (Alaska), 7,800 miles (Mainland)

North Korea

Scud B: 180 miles, Status—deployed
 Scud C: 300 miles, Status—deployed
 No Dong: 600 miles, Status—tested
 Taepo Dong 1: 900+ miles, Status—tested
 Taepo Dong 2: 3,600 miles, Status—in development
 Distance to U.S.—2,400 miles (Alaska), 4,800 miles (Mainland)

Pakistan

Shaheen: 180 miles, Status—deployed
 Tarmuk: 180 miles, Status—deployed
 Ghauri: 900 miles, Status—deployed
 Distance to U.S.—4,800 miles (Alaska), 6,600 miles (Mainland)

Note: Distances to the U.S. are calculated over the pole or west to east. Flying east to west, even though shorter in some cases, is inefficient since the missiles would be flying against the rotation of the earth, lengthening the flight.

Senator CLELAND. Furthermore, the difficulties that we have encountered through a series of failed, integrated flight tests, the tests that the distinguished Senator from Florida was talking about, warrant careful examination before we commit huge sums of money for some kind of crash program to field a system of questionable effectiveness.

National missile defense is an uncertain trumpet at this point, and we ought not to blow it before we test it and fully make sure it is deployable. It does not make sense to deploy this system without that guarantee. Moving down that road without that kind of testing does not improve the security of the people of the United States, in my opinion.

Now, I understand the argument that advanced technology will allow for greater success in NMD operations, but I know the technological developments are still to be achieved in the future.

For instance, General Larry Welch, chairman of the NMD independent review team, stated to Congress last July that we are not technically ready to decide whether or not to deploy missile defense. General Welch gave 2003 as the earliest possible decision point. How, then, can the administration deploy an NMD system and have it in place by 2004?

Additionally, according to the Pentagon's Ballistic Missile Defense Organization, the earliest high-risk deployment is 2006 for a ground-based system, and 2009 for an airborne laser system, and 2010 for a sea-based system.

I know that the military services in their budget briefing have presented compelling arguments regarding demands on them by current deployment of American services around the globe. I think it is ironic we meet today and we are moving into Macedonia. We have been in Bosnia for 6 years. We have been in Kosovo for 2 or 3 years. Now we are going into Macedonia.

I can remember 5 years ago when we had testimony that we were going to get out of Bosnia. We never thought about going into Kosovo or Macedonia. Now we are in them all. I am gravely concerned about the shift away from improving the current state of readiness and upgrading maintenance, spare parts, quality of life, and recruitment and retention, so we can have a unit to send wherever we need to send it. I think that we need to focus on that, rather than an updated version of Star Wars at this time. I think it is a repeat of the mistake made by the country after World War II, of compromising conventional capabilities in order to fund strategic programs with narrow utility.

Those mistakes were paid for dearly by American service personnel committed to the Korean War. We approach the 51st anniversary of Task Force Smith, committed in the Korean War. I caution you both that this Senator will jealously guard resources our servicemembers need to protect our vital interests, and oppose any effort that compromises our resources.

Mr. Secretary, I want to ask a basic question. You have blurred the distinction between theater missile defense and national missile defense. I would just like to observe four points. First, in testimony, Lieutenant General Kadish himself has conceded that the engineering of the systems is different, the engineering of a theater missile defense is one thing, the engineering of a national missile defense is quite another.

Second, the National Missile Defense Act of 1999, which is the current law governing these matters, refers to national missile defense, not just missile defense.

Third, the only system whose earliest high-risk deployment was claimed to be 2004 is the ground-based system designed to intercept missiles in the missile's terminal phase, just before impact, essentially a theater missile defensive capability.

Fourth, the ABM Treaty is clear on the distinction.

Mr. Secretary, do you not see a distinction between theater missile defense, which I fully support in terms of research and development, and pursuing our technology in that regard, and national

missile defense and deploying a national missile defense system, which I think is not what we ought to do at this time?

Secretary RUMSFELD. Thank you, Senator. Maybe I can make three quick comments. First, to my knowledge, the United States is not putting troops into Macedonia. I do not know where that information came from. NATO is discussing it, but the United States has made no commitment to do that.

Second, you are quite right that there are more threats than missile defense, and terrorism, as former Senator Nunn has suggested, is one of them. The United States is currently spending more money on the terrorism problem than we do on missile defense, and the asymmetrical threats across the spectrum are a problem. Countries are not likely to compete with our Army, Navy, and Air Force. They are able to get their hands on weapons of mass destruction, and there are a variety of ways of delivering them, and I do not disagree with that, but it seems to me that we ought to be interested in addressing all of them, not just some of them.

Third, with respect to theater and national missile defense, there is a difference, obviously, in the engineering and the purpose and in what one does by way of interception. The point about theater and national missile defense that I have addressed is this; what is national depends on where you live. If you live in Europe, and a missile can reach you, that is national, it is not theater. If you live in the United States and a missile can hit Europe, it is theater, not national.

The problem we were getting into, by strictly separating theater and national missile defense, it seemed to me, is that it appeared we were interested only in protecting ourselves, and not deployed forces, not our friends and allies, and that decoupling from our allies was an unhealthy thing.

You are correct, General Kadish is correct on the distinctions with respect to engineering. It strikes me that not recognizing that what is national or theater depends on where you live would also be a mistake.

Senator CLELAND. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much. We are going to recognize Senator Roberts next, then Senator Inhofe, and finish at 11:15, so it is going to be really tight, but that is what the Secretary's schedule requires.

Senator Roberts.

Senator ROBERTS. Thank you, Mr. Chairman, and thank you for your very kind comments at the beginning of this session. I was not here, but staff has informed me that you lauded the efforts of the Emerging Threats and Capabilities Subcommittee, and the 3 years of hearings we have had on this subject, which is pretty much the foundation of what we are all about here. I want to thank Senator Warner, the chairman emeritus, in regard to my privilege of being the chairman of that. Chairman Bingaman was the ranking member. All of our staffs on both sides of the aisle did a lot of work, so I want to thank you for that.

Mr. Secretary, as I have indicated, we have been working for 3-plus years on the Emerging Threats and Capabilities Subcommittee, and working closely with the Joint Forces Command on this

notion of military transformation. I have the press and the study here that we have been going over.

It seems to me we need this effort, since the threats we face are so dramatically different, as has been indicated by all of my colleagues, and we need your hands-on support. I know you are going to provide us that, and you are already into that.

It is going to be a very tough road, I think you found that out from the questions from my colleagues, to make any meaningful change. You are going to have a lot of opposition from the Service cultures. You are going to have a lot of opposition from the vendors to cut the favored programs that are seen to be out of favor, or that are rumored to be out of favor, but the reality is that we need the dramatic change.

The question is, do we have the stomach to do it? The question is, can we consult in a way with you so that that effort will be joint, and it will be a cooperative effort?

Now, it seems to me that the transformation of our military would be based on a current national defense strategy. I would argue that such a defense strategy should be based on national strategy, and finally, the national strategy should be based on a firm understanding of our vital national interest. I think you agree with that progression. You answered yes to that in a previous question where we had the privilege of having you before the committee.

My question is, are those fundamental documents and principles consulted and referenced as your transformation plans being developed? We have the Bremmer Commission, the Gilmore Commission, the Hart-Rudman Commission, the CSIS study, Rand Corporation, National Commission, which I served on. You should have access to that brilliant detailed dialogue on the Senate floor by Senator Cleland and Senator Roberts, who went on five times to an empty chamber, but some people paid attention to it, on what are our vital national interests, how that plan can transform.

The Emerging Threats and Capabilities Subcommittee had anywhere from 25 to 30 hearings. I will get the exact number. We dealt with homeland security, we dealt with terrorism, the danger of a biological attack, cyber warfare, weapons of mass destruction, counterthreat reduction programs, drugs, immigration—our jurisdiction is all over the lot.

Now, we have had all these hearings, all this testimony. I do not think we really considered having your study groups come up, and maybe this is the wrong time to do it, but at some point I think we ought to have some consultation, and you would come up and say, "hey, Pat, what do you think, you have been doing this for 3 years. Hey, Mr. Chairman, hey, Mr. Ranking Member, what do you think?"

I mean, we have had all the experts. I cannot think of an expert we have not had, in terms of the commissions, and I think it would be very helpful. I think we could avoid some of the more controversial bickering back and forth.

Most Senators, if they are in the room, when they leave the room, do not really criticize as much as if they are in the room. There are a few exceptions to that, of course.

So my question to you is, basically, have we taken a look at those fundamental premises, and all the hearings that we have had on this particular subject, and then maybe had a little chat, had a little meaningful dialogue with people, as opposed to all of these news reports that make us get all upset?

I told the Marine Corps and the Army at one particular time that the Marine Corps is the tip of the spear, the Army is the spear. We do not need two tips, we do not need two spears. Now I see in the transformation we may not have a spear or a tip. Service culture is important. Do not mess with the Marine Corps, sir.

Secretary RUMSFELD. Senator, I thank you for your comments and I am, of course, well aware of the work of your subcommittee. I have read carefully the commission that you served on, and we talked about it, and we are now arriving exactly at the time when it would be very useful to have your subcommittee meet with the group of people in the Quadrennial Defense Review who are working, just starting this process this week on the specific transformation pieces and what the implications are flowing out of, as you say, the national security strategy, the national defense strategy, and we would be delighted to do that. I will see that it is arranged.

Senator ROBERTS. I just want to say, Mr. Chairman, that we do not have all the answers, but there are some areas of expertise. We have a great staff, and it would just be wonderful to exchange ideas like what do you think about this, wait a minute, you know 2 years ago we heard this, and this is what happened where it did not work out, and of course, you have great experience, and so does General Shelton in that respect, but I would urge you to do that.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much. Senator Akaka is now here, so we are going to call on him. Then we will call on Senator Inhofe, but we will still try to get you out of here as close to 11:15 as we can.

Senator AAKA. Thank you very much, Mr. Chairman.

Mr. Secretary, last week President Bush announced that the Navy would stop training on the island of Vieques. It is my understanding that the law requires a referendum to be conducted, unless the Chief of Naval Operations and the Commandant of the Marine Corps jointly certify that Vieques is no longer needed.

What are you thoughts about this issue?

Secretary RUMSFELD. Senator, I know that you and certainly Senator Inhofe have given a great deal of thought and time to this subject. I am trying to figure out exactly what the sequence was, but I believe that technically the Secretary of the Navy made the announcement as to what would take place, not President Bush. President Bush I think commented on it after it had happened.

But all I can say is that the decision has been made to come to Congress, and Congress has a role in this, obviously, and I understand there may be some hearings with respect to it.

Senator AAKA. Mr. Secretary, to your knowledge, were the CNO and Commandant consulted prior to this decision?

Secretary RUMSFELD. I could let General Shelton answer this, but to my knowledge the Chief of Naval Operations has been involved in these discussions over a sustained period.

General SHELTON. I know that the CNO has, in fact, been involved going back to last year, when the issue first started. To what degree in recent days, or in the last several months, I do not know. It is a Title 10 responsibility to train, organize, and equip, and I know the Navy has been working this very hard, as well as looking for potential alternatives for it.

Senator AKAKA. Are you aware whether there was any alternative site for readiness training for the Navy and Marine Corps?

General SHELTON. To my knowledge right now there is not an alternative site. I am aware of three different areas that are being looked at as potentials.

Senator AKAKA. What is the status of the legislative proposal that is to be forwarded to Congress to address the referendum?

Secretary RUMSFELD. I do not know personally.

Senator AKAKA. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.

Senator WARNER. Mr. Chairman, the Secretary of the Navy called me yesterday. The draft of that legislation is on his desk. It is under consideration to be forwarded to your office. I thank the Chairman of the Joint Chiefs for saying that the Navy has worked very hard and very diligently for years to search for alternative sites. I think that is important, because this is a critical issue before Congress right now.

Chairman LEVIN. Senator Warner has shown me a letter requesting a hearing, which I have just seen for the first time, but he has previously requested the committee conduct a hearing on the position of the Department of Defense relative to Vieques, but his final paragraph says this, that "the administration has not formally decided whether or not to forward legislation to Congress concerning Vieques, therefore I recommend that the Armed Services Committee not conduct a hearing on the subject of Vieques until such time as we have before the committee for consideration a formal legislative proposal from the administration on the future use of Vieques."

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

First of all, I both agree and disagree with Senator Cleland. I apologize for being late. I had an emergency root canal this morning and it is going to be finished at 3:00 today, so this is not very enjoyable for me either.

Chairman LEVIN. I hope the Secretary does not feel like he has had a root canal here this morning. [Laughter.]

Senator INHOFE. Oh no, he never feels that way.

I do agree with Senator Cleland and Senator Bunning on their comments as far as Kosovo and Bosnia, and I hope we have learned one lesson from this. It is easy to get in, it is hard to get out, so I hope we will just keep that in mind.

I do disagree with them, though, and I have heard the arguments so many times, when they talk about the threat, the terrorist threat, the suitcases. No one from Oklahoma has to be told what that threat is, and the devastation of the Murrah Federal Office Building was only an explosive power of 1 ton of TNT.

The smallest nuclear warhead we hear about is roughly a kiloton, a thousand times that destruction, and the fact that we al-

ready have three countries that have multiple stage rockets that can carry weapons of mass destruction to the United States, and they are trading technology and systems with such countries as Iraq, Iran, Syria, Libya, and Pakistan, and some of the other countries, I think it is a huge problem.

I did finally see the movie 2 days ago, "13 Days," and I hope everyone will see that movie and see the threat of the Cuban missile crisis back in the 1960s. I really believe in my heart that the threat today is every bit as great as the threat at that time, so I would hope that we not get ourselves into this position of saying we are either going to guard against terrorist attacks in suitcases, or ICBMs, but not both. We need to have adequate protection against both of them.

The second thing is—I know this is really limited, and you have stayed past your time, and I appreciate your being here—on the theme of Vieques, I would only ask that we be consulted before something specific, anything more is being done. We were not consulted before. I am not blaming either one of you for that, but these things came out, and they put the White House in a very awkward position, because quite frankly I think when that first statement was made they did not realize that we had very carefully crafted language in our defense authorization bill that would protect against someone trying to unilaterally, without thinking it through, do away with the live range that I believe directly affects American lives.

The policy is something too, that I have been around, and I have looked at all of the sites that we can find, and of course the Pace report came out, and the Rush report, and they have studied these. To get the integrated training that is necessary to save lives for East Coast deployments, I believe Vieques is absolutely necessary, and I think that self-determination now is not such a bad idea.

I did not like the idea at first, but I think now, if we get to November, unless they have changed the law, we are going to have a referendum. Quite frankly, I think the people of Vieques will embrace the Navy and will vote favorably to keep a live range on Vieques, and any comments you want to make, you can.

Secretary RUMSFELD. Well, Senator, first, let me say that I agree completely with you on the variety of threats of weapons of mass destruction and that it is important that we address the spectrum of them, and not one, and ignore others.

Second, with respect to Vieques, you have been a stalwart and made a terrific contribution in working to assure that the men and women who go into the Gulf from the east coast have the kind of training that they need, and I recognize that. I certainly agree with you that before anything else is done we have to take full cognizance of the legislation and of you and your associates and your interests, and consult.

Senator INHOFE. Thank you, Mr. Secretary.

Chairman LEVIN. Mr. Secretary, we want to thank you. I must tell you, there is one comment in your remarks that I have to point out, because I think it is really inaccurate.

Secretary RUMSFELD. Oh, my.

Chairman LEVIN. You say that we have skimped on our people, doing harm to their trust and confidence, as well as to the stability

of our force, and we—under the leadership of Senator Warner here, Senator Stevens, Senator Byrd, Senator Inouye on Appropriations, and on the House side over the last few years—have passed the largest pay raise in 20 years, we have committed to annual military pay raises greater than the annual increase in the employment cost index through 2006. Two years ago, the President requested Congress approve an increase of military retirement benefits from 40 to 50 percent of basic pay after 20 years of service. That was a high priority for General Shelton of the Joint Chiefs. They had been reduced from 50 to 40 percent in 1986.

We approved Secretary Cohen's proposal to increase housing allowances last year for military families and begin eliminating out-of-pocket housing costs. We have reduced the number of military families now on food stamps by about 75 percent. We last year approved a special allowance for the remaining military families who qualify for food stamps.

We enacted a mail order pharmacy benefit for military retirees, a new entitlement for medicare-eligible military retirees to receive care through the Tri-Care program.

I do not think there has been a major initiative in the area of personnel benefits and quality of life that General Shelton and the Joint Chiefs have recommended to Congress that has not been provided, and I would be happy, of course, if you want to take time to comment.

General Shelton has assured us many times over the years that we have done well in this area, and I would just urge that you have a private conversation with General Shelton when you get back to the Pentagon on that subject.

This Congress in the last years has not skimped on our force. That has been first and foremost our goal, to protect that force, their quality of life. That has been and continues to be our goal, no matter whether Democrats or Republicans are in control of this Congress. I can assure you in this Senate that is the number one goal.

Senator WARNER. Mr. Chairman, you should include yourself in the litany of those who have worked on this over the years, because at the time I was chairman, you were a full partner on it every step of the way.

Secretary RUMSFELD. Mr. Chairman, I request that I be a temporary Senator and be permitted to revise and extend those remarks that were imperfect and inelegant.

Chairman LEVIN. Thank you.

Secretary RUMSFELD. However—

Chairman LEVIN. Oh, in that case you are not going to be permitted approval to revise and extend your remarks. [Laughter.]

Secretary RUMSFELD. Let me say this. I agree with everything you said. There has been a lot done. The fact remains that if you look at their housing, and you look at the facilities they work in, and you know that the best practice in the private sector is to recapitalize every 6 to 7 years, in the aggregate, blended, and that we currently are at 198 years, there is no way we can say that we have provided the kinds of housing and facilities for the men and women in the Armed Forces to work in that we would be proud of.

Second, the optempo has been a problem, and that is part of morale, and it is part of quality of life, and there have been periods in the last decade where the numbers of not major regional wars, but lesser contingencies, have been so numerous that it has put an enormous strain on the men and women of the Armed Forces, and I will, in fact, have a private conversation with General Shelton. I see him two or three times a day.

Chairman LEVIN. We appreciate that. We also will, I am sure, be very responsive to those requests, as we have always been. We have a lot of work to do together in this area. I think you may find that in some places we will be exceeding your requests and maybe changing some of your priorities, as has been indicated by my colleagues around here, because of the high priority that we give to quality of life, to morale, to pay and benefits, to retention, and so you may find some of your priorities, indeed, for little things like missile defense change in order to focus on the things that you just talked about.

Before we close this hearing, and without objection, at this point in the record, I will place the statements of Senators Lieberman, Thurmond, and Allard.

[The prepared statements of Senators Lieberman, Thurmond, and Allard follow:]

PREPARED STATEMENT BY SENATOR JOSEPH I. LIEBERMAN

Thank you Secretary Rumsfeld for appearing before this committee today. I look forward to hearing your recommendations for our national military strategy and what guidance you are giving the Pentagon and the military services to develop the recommended force structure and weapons to execute that strategy.

At your confirmation hearing before this committee in January, I noted that you were assuming stewardship of our military at a crossroads—one that requires a hard choice between taking the path defined by the ideas and methods of the 20th century or the path defined by the needs and potential of the 21st century. I also said that the QDR and the National Defense Panel (NDP) conducted in 1997 pretty well defined these two roads for you and the choices you faced. These panels produced two fundamentally and constructively different evaluations. The QDR's conclusion was that although future military challenges will likely be different than those envisioned during the Cold War, the "two war" construct, with some modifications, is and will continue to be the proper standard against which to gauge our capability and preparedness. That QDR concluded the current forces and weapons are satisfactory and will continue to sustain our military dominance if modernized in kind. As a result, much of the Pentagon effort since that time has been toward increasing the budget to maintain and modernize this force.

The members of the NDP disagreed. They asserted that "we are at the cusp of a revolution in warfare," stating that "unless we are willing to pursue a new course, one different than that proposed by the QDR, we are likely to have forces that are ill-suited to protect our security 20 years from now." In fact the NDP questioned the advisability of continuing to use the "two war" standard and of continuing to procure some of our current core weapons. They concluded that transformation is the path we should follow, and therefore spending smarter was more important than spending more.

President Bush clearly adopted the vision of the National Defense Panel. During and after the campaign last year, he promised the men and women of our Armed Forces that "help was on the way." He pledged to fix the shortcomings that he believes exist now and he pledged to transform the military into a force that takes advantage of the technology revolution to better overcome the very different threats we face today and tomorrow.

You were tasked to execute this vision. For the past 5 months you have been conducting a strategy review to determine how to structure and equip U.S. forces to achieve this vision. But despite several meetings with members of this committee, we still do not know much about either the process of this review or its content. What we do know, and what may not be accurate, comes from reports leaked to the press or from pure speculation.

I must confess that I'm a bit troubled by comments you have made suggesting that decisions will be revealed sequentially rather than as a coherent strategy and that the effort over the past 5 months will have little immediate impact on the military. I am also troubled by reports that there have been no decisions about which programs should be continued and which should not. I hope I am wrong, and that you will assure us here today that is not the case.

Such decisions cannot simply be rolled into the routine planning and budget cycles. That approach will not give us the insight we will need to link strategy with the forces and weapons needed to execute it. I must strongly urge you to provide us with the thoughtful, studied analysis we will need soon, since the fiscal year 2002 budget will be critical in shaping what we can do in fiscal year 2003 and beyond. The resources needed to execute the conclusions of your review will be substantial, and changing course will be exceedingly difficult and time consuming, and because of the large tax cut signed by the President, we will not likely have the money we would need to change course quickly.

Which leads me to my next concern—how you intend to pay for critical defense programs. I believe the President's priority was tax cuts and his subsequent budget does not and cannot meet the current and future needs of our military, particularly the needs of the men and women in uniform. You are faced with funding a force that costs billions more than has been budgeted for or than is likely to be available. The total government surplus for 2002 is less than some of the rumored defense increases for fiscal year 2002, and we are actually facing deficit spending in 2003 and for some years after that, when you have said you must have substantial increases to transform. While I strongly support improving the efficiency of the Pentagon, I don't believe efficiencies alone will be enough to make up this shortfall. I hope we won't resort to accounting gimmicks or raiding Social Security or Medicare to try to come up with the funds that will surely be needed.

I look forward to hearing what your approach will be to resolving these difficult conflicts, what guidance you intend to give the Pentagon to direct their design and execution of the upcoming QDR, and how we can better know your priorities as we proceed with marking up the fiscal year 2002 budget. I look forward to working with you to build a dominant military for the 21st century.

PREPARED STATEMENT BY SENATOR STROM THURMOND

Mr. Chairman, I join you in welcoming Secretary of Defense Rumsfeld and General Shelton. Today's hearing is significant in two aspects. First, it will set the tone for the follow-up hearings that the committee will hold in preparation for the Fiscal Year 2002 National Defense Authorization Act. Second, it will be the first official review of Secretary Rumsfeld's long-overdue defense strategy review. There has been a great deal of speculation both in the press and Congress regarding the Secretary's review and I hope that this hearing will put an end to the speculation and focus on the facts.

Mr. Secretary, to illustrate the discord that reigns regarding your review and the future role of our Armed Forces, I will cite from two recent articles:

June 16, 2001 in the European Stars and Stripes: "The Pentagon's strategy guidance for the next 4 years will drop the pretense that the Pentagon's only business is fighting major wars, a senior defense official said. Instead, the time has come to acknowledge that peacekeeping missions in the Balkans will not go away—and thus must be an integral part of the military's force structure and weapons planning, the official said Thursday."

June 19, 2001 in USA Today: "U.S. forces should focus on fighting wars and leave peacekeeping to Norway, Canada, and other nations with a 'long tradition' of carrying out humanitarian missions, the Pentagon's No. 2 official says. 'We want to get the military out of non-military functions,' Deputy Defense Secretary Paul Wolfowitz said in an interview."

Although I agree with Secretary Wolfowitz's statement, the two articles are illustrative of the confusing reports coming from the defense review. Your testimony will be critical in clarifying the outcome of your strategic review and the future role of our Armed Forces.

General Shelton, although your very successful tour as Chairman of the Joint Chiefs of Staff will come to a close in several months, you have the opportunity to put your mark on the future of our defense strategy. I hope that contrary to the concerns that senior military officials did not participate in the strategic review, your concerns and those of the Joint Chiefs are fully addressed in this review. I urge you to share your perspective on this important matter and speak not only on behalf of our Armed Forces, but also on behalf of our Nation's national security.

Mr. Chairman, in my judgment, a comprehensive review of the defense strategy and the operations of the Department of Defense is long overdue. I am pleased that this committee has inserted itself in the review process and I hope we will follow up with other hearings.

PREPARED STATEMENT BY SENATOR WAYNE ALLARD

Mr. Secretary, General Shelton, I want to thank both of you for coming here today. I am pleased that you are conducting this review of our defense strategy and I am looking forward to hearing your testimony. I am particularly interested in your views as they relate to our strategic forces and hearing your opinions of their future role in supporting the theater CINCs and providing homeland defense. Additionally, I am interested in hearing how you envision how our space assets will be used to support our military forces and our economic system.

The world environment is always changing, and we must always review and update our national security strategy. I believe that it is extremely important that the United States remain aggressive in maintaining superiority in all elements of national power.

So, gentlemen, I thank you for your service, and I look forward to hearing what you have to say.

Chairman LEVIN. Thank you. We stand adjourned.
[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

A TRUE JOINT FORCE CAPABILITY

1. Senator LEVIN. General Shelton, last week, retired General McCarthy, who headed the study on transformation, said that "The Services are very, very capable but they still have not learned and have not trained and have not exercised sufficiently for us to claim that we have a true joint force capability." He also said that he was not advocating a new force but "a new operational concept that establishes true jointness."

Why is it that almost 15 years after the enactment of the Goldwater-Nichols Department of Defense Reorganization Act, we still haven't been able to develop a true joint force capability?

General SHELTON. Since the signing of the Goldwater-Nichols Act, the international security environment has changed dramatically for the United States and our allies. We have transitioned from focusing all systems development and organizational alignment efforts against a single threat to now focusing on a much more complex capabilities-based approach to secure U.S. interests. Only since Operation Desert Storm/Desert Shield and the reestablishment of a more secure Middle East region has the force been able to focus on the future. Moreover, our acquisition system will need continued reform to meet the demands of today's rapidly changing environment and the ever-increasing requirements for a more joint force.

Realizing we still have a significant way to go, in the past 5 years we have made great strides in establishing true jointness across Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel and Facilities (DOTMLPF) by establishing the U.S. Joint Forces Command (USJFCOM) and evolving the role of the Joint Requirements Oversight Council (JROC). USJFCOM has become the single focal point for all joint training and joint experimentation.

The JROC is the focal point for U.S. military transformation. This decision body, composed of the Vice Chairman of the Joint Chiefs of Staff, the Vice Chiefs of the three Services, and the Assistant Commandant of the Marine Corps, reviews and approves all requirements and programs of joint interest and implications. This is done to ensure that change recommendations are co-evolved across the DOTMLPF-spectrum and are developed with consideration for joint interests. As each Service replaces its Cold War legacy systems with future systems, the joint force achieves greater capability through the synergistic co-evolution of DOTMLPF changes.

Each Service has been and will continue to be focused on the development of its core competencies in the complex environment of the future. USJFCOM, in conjunction with all the regional and functional CINCs, is heavily involved in developing and experimenting the joint operational concepts of the present and future forces.

2. Senator LEVIN. Secretary Rumsfeld, will one of the goals of the Quadrennial Defense Review be to develop a true joint force capability?

Secretary RUMSFELD. Joint force capability is one of many key issues the QDR will address. The 2001 QDR will investigate options to acquire rapidly deployable joint forces for operations across the full spectrum of military missions.

EXPERIMENTATION

3. Senator LEVIN. Secretary Rumsfeld, will experimentation play a prominent role in the development of the future military force of the United States?

Secretary RUMSFELD. The Department of Defense is pursuing an ambitious transformation strategy aimed at ensuring U.S. military preeminence well into the next century. Critical to the success of this transformation are the Department's experimentation efforts. Experimentation—particularly joint experimentation—ensures that our transformation efforts are fully integrated from inception to implementation. Our goal is to develop and field systems, units, and capabilities that are “born joint.” More than just designing systems or developing concepts that facilitate an ability for our forces to work together and/or to share information, our joint experimentation initiatives seek to ensure total interoperability of our forces through linked systems, distributed/joint command and control architectures, and reachback connectivity. Our efforts will ensure that we field capabilities that will provide real-time, relevant information to widely dispersed forces, conducting either combat or contingency operations. Transformation of our military forces depends on robust experimentation to reduce unknowns and uncertainty about the operations of future joint forces.

4. Senator LEVIN. General Shelton, virtually every expert agrees that robust experimentation, including joint experimentation, to investigate new organizations, operational concepts, and advanced technology is essential to achieve a military force best suited to the future security environment.

Are you satisfied that sufficient resources are being made available for the Commander in Chief, U.S. Joint Forces Command, to conduct joint experimentation?

General SHELTON. In building the fiscal year 2002 budget, the requirements for joint experimentation were thoroughly reviewed at the highest levels of the Department. As reflected in the President's fiscal year 2002 budget submission, joint experimentation is properly resourced. We will review joint experimentation future requirements as we begin the fiscal year 2003 program and proceed with the Planning, Programming and Budgeting System.

BALLISTIC MISSILE THREAT COMMISSION

5. Senator LEVIN. Secretary Rumsfeld, at the hearing, one of the members of the committee mentioned the Commission to Assess the Ballistic Missile Threat to the United States, which you chaired. The comment was made that the commission had recommended deployment of a missile defense to protect the United States. You have testified previously that the commission did not recommend any responses to the ballistic missile threat because that was not in the commission's charter.

Could you clarify what the commission was tasked to do and whether the commission made any recommendations relative to the deployment of any ballistic missile defense systems?

Secretary RUMSFELD. The commission was tasked by Congress in section 1323 of the National Defense Authorization Act for Fiscal Year 1997 to “assess the nature and magnitude of the existing and emerging ballistic missile threat to the United States” and “submit to Congress a report on its findings and conclusions.” The commission was not tasked to, and did not make, any recommendations related to the deployment of any ballistic missile defense system.

QUESTIONS SUBMITTED BY SENATOR JOSEPH I. LIEBERMAN

STRATEGY REVIEW

6. Senator LIEBERMAN. Secretary Rumsfeld, is there a National Security Strategy?

Secretary RUMSFELD. While there is not yet a new National Security Strategy, the Department is fully cognizant of the administration's emerging national security priorities and objectives, and will ensure that these are integrated into the new national defense strategy.

7. Senator LIEBERMAN. Secretary Rumsfeld, when will we see one?

Secretary RUMSFELD. The administration will share the new National Security Strategy with Congress at the earliest opportunity.

8. Senator LIEBERMAN. Secretary Rumsfeld, can you explain the process you have put in place to conduct the strategy review?

Secretary RUMSFELD. Working with senior military and civilian leadership, I have had an extensive number of detailed discussions and worked through some complex strategic issues. We have developed guidance in the form of the terms of reference to test some preliminary conclusions before making recommendations to the President or Congress.

The Chairman, the Deputy Secretary, and I are leading the strategy review through a senior-level review group. This group is composed of the Service Secretaries, the Joint Chiefs of Staff, the Under Secretaries of Defense, and the Special Assistants. An executive working group supports the senior-level review group. We are overseeing a wide range of analysis across a number of areas, including strategy and force planning; military organizations and arrangements; capabilities and systems; space; information and intelligence; forces; personnel and readiness; and infrastructure.

9. Senator LIEBERMAN. Secretary Rumsfeld, how are the different pieces of the review connected?

Secretary RUMSFELD. The senior-level review group and the executive working group are closely monitoring the work of the issue teams, and the teams themselves are interacting frequently to ensure their efforts are well-linked. In addition, the executive working group is seeing to the integration of the issue teams' products.

10. Senator LIEBERMAN. Secretary Rumsfeld, who is harmonizing the conflicting recommendations and how is that happening?

Secretary RUMSFELD. The Deputy Secretary and I, along with the Joint Chiefs of Staff, the Service Secretaries, and senior civilian officials are reviewing the analysis and alternatives developed by the issue teams. We will be responsible for resolving any differences among their findings.

11. Senator LIEBERMAN. Secretary Rumsfeld, how will you vet your conclusions to get input and advice about the final product?

Secretary RUMSFELD. I am not making any decisions alone. We—the Chairman of the Joint Chiefs of Staff, the Service Chiefs, the Service Secretaries, and my senior civilian advisors—will make decisions collectively. In addition, I am consulting closely with others in the administration and in Congress.

12. Senator LIEBERMAN. Secretary Rumsfeld, will the final product be a formal written strategy?

Secretary RUMSFELD. The final product will contain a formal written defense strategy.

13. Senator LIEBERMAN. Secretary Rumsfeld, when will it be transmitted to Congress?

Secretary RUMSFELD. The report of the Quadrennial Defense Review will be completed and transmitted to Congress as required by law.

14. Senator LIEBERMAN. Secretary Rumsfeld, what can we expect it to contain?

Secretary RUMSFELD. In accordance with the National Defense Authorization Act for Fiscal Year 2000, the QDR will be a comprehensive examination of the national defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program with a view toward determining and expressing the defense strategy of the United States. The QDR process will integrate the results of a variety of studies and the views of the senior military and civilian leadership in the QDR process.

15. Senator LIEBERMAN. Secretary Rumsfeld, when will this strategy be translated into guidance to begin programming by the Services?

Secretary RUMSFELD. The strategy review will be completed in the fall and will be translated into guidance for programming by the Services at that time.

16. Senator LIEBERMAN. Secretary Rumsfeld, will this be done before the fiscal year 2002 budget is submitted?

Secretary RUMSFELD. No, the amended fiscal year 2002 budget was submitted on June 27. The QDR findings will be reflected in the fiscal year 2003 budget submission.

17. Senator LIEBERMAN. Secretary Rumsfeld, when will we be briefed on this guidance?

Secretary RUMSFELD. I will brief members of Congress on findings of the QDR.

NATIONAL SECURITY OBJECTIVES

18. Senator LIEBERMAN. Secretary Rumsfeld, what are the national security objectives you have decided on that the strategy must achieve?

Secretary RUMSFELD. The national security interests that the defense strategy must support include maintaining U.S. sovereignty, territorial integrity, and freedom; ensuring the safety of U.S. citizens at home and abroad; protecting critical national infrastructure; maintaining the security of allies and friends; preserving the stability of vital regions and precluding hostile domination of them; ensuring the security of international lines of communication; maintaining access to and assured use of global information and communications networks; and ensuring unfettered access to key markets and strategic resources.

CHANGES TO THE THREAT

19. Senator LIEBERMAN. Secretary Rumsfeld, what are the changes to the threat that the strategy assumes over the next 10–15 years in form, location, and scale?

Secretary RUMSFELD. It is difficult to know precisely who will threaten, or where, or when in the coming decades; it is less difficult to anticipate how we will be threatened. We know for example, that:

- Our open borders and open societies make it easy and inviting for terrorists to strike at our people where they live and work;
- Our dependence on computer-based information networks makes those networks attractive targets for new forms of cyber-attack;
- The ease with which potential adversaries can acquire advanced conventional weapons will present us with new challenges in conventional war and force projection, and may give them new capabilities to deny the U.S. access to forward bases; and
- Our lack of defenses against ballistic missiles creates incentives for missile proliferation which—combined with the development of nuclear, biological, and chemical (NBC) weapons of mass destruction—could give future adversaries the incentive to try to hold our populations hostage to terror and blackmail.

We are also seeing another trend unfold, namely the increasing power, range, and sophistication of advanced conventional weapons. Future adversaries may use these capabilities to deny us access to distant theaters of operation, as well as to put at risk our territory, infrastructure, space assets, and population, as well as those of our friends and allies.

TRANSFORMATION

20. Senator LIEBERMAN. Secretary Rumsfeld, how do you define transformation?

Secretary RUMSFELD. I define military transformation as the integration of technology, operational concepts, and organizational arrangements to achieve dramatic improvements in the conduct of military operations such that previous approaches are rendered ineffective or obsolete. The goal of our ongoing transformation effort emanates from what the evolving security environment and a responsive strategy demand from our military forces, thus answering the question, “Transformation to do what?”

The Department can achieve such a transformation through research and development focused on the most promising technologies, selective development of pilot systems or organizations that show promise for dramatic improvements in capability, service and joint experimentation with innovative concepts of operations, and the creation of joint organizational arrangements best suited to exploiting technological advances and operational concepts. In particular, the first phase of military transformation ought to (1) exploit the dramatic advances in acquiring and processing information to conduct network-centric, nonlinear military operations and (2) provide a wider range of options for countering emerging threats in the manner we choose.

21. Senator LIEBERMAN. Secretary Rumsfeld, what is your answer to why we should transform the world's best military? What geopolitical and technological opportunities do you see that argue for transformation?

Secretary RUMSFELD. We should transform our force both because we have the opportunity to do so, and more importantly because it is imperative that we do so. Our opportunity is to make our great military even better than it already is. The preeminence our military currently enjoys affords a favorable time to transform for the challenges of the future. Moreover, as we have begun to harness the ongoing information and telecommunications revolutions, we have seen that we have only begun to tap into its tremendous potential. These technologies and others—when combined with innovative concepts of operations and appropriate organizational adjustments—will be great force multipliers that could reduce both the cost and risk of military operations.

The imperative to change is equally clear. First, our current path is unsustainable. While our forces remain unrivaled, they are largely a downsized legacy of Cold War investment and therefore not optimized for the future security environment. Further, we must reverse the decline in readiness, replace or retire worn out equipment, purchase necessary spare parts, and manage the frequency of deployments. Second, we are seeing the emergence and proliferation of capabilities that we are increasingly challenged to counter effectively. In particular, we are seeing the proliferation of access denial technologies—such as weapons of mass destruction, ballistic missiles, space systems, and GPS-quality precision weapons—and increasingly diverse and sophisticated asymmetric strategies—such as terrorism, computer network attack, and covert or overt attacks on our space assets. Given these challenges, we must focus on the task of transforming the U.S. defense posture to stay ahead of and hedge against the uncertain eventualities of the future while continuing to meet current U.S. security responsibilities.

22. Senator LIEBERMAN. Secretary Rumsfeld, what organizational changes do you contemplate?

Secretary RUMSFELD. This question is an important one that we are examining in the Quadrennial Defense Review and will continue to examine in our ongoing Joint and Service experimentation. Thus, it is too early to provide a definitive answer. That said, I can tell you that organizational changes will be tied to the capabilities we are transforming to achieve. For instance, we are studying how we can achieve increased jointness, particularly in our command and control. We also know that we have to design forces that are more capable of information operations and effective in all critical areas of the world. These forces must be capable of deploying into and sustaining themselves in anti-access environments and operating under the threat of covert or overt attack from nuclear, biological, and chemical weapons and their means of delivery, including ballistic and cruise missiles of all ranges.

23. Senator LIEBERMAN. Secretary Rumsfeld, what force structure and program changes will there be (e.g. should there be more emphasis on information systems, etc.)?

Secretary RUMSFELD. This is an area we are examining very closely in our ongoing strategic review. Thus, it would be premature at this point to give you a specific answer. When the QDR is complete, I look forward to briefing you and your committee on our results and recommendations.

TERMS OF REFERENCE

24. Senator LIEBERMAN. Secretary Rumsfeld, have you completed the terms of reference?

Secretary RUMSFELD. Yes, the document containing guidance and terms of reference for the conduct of the QDR was signed on 22 June 2001.

25. Senator LIEBERMAN. Secretary Rumsfeld, do the terms of reference contain the defense strategy that emerged from your review?

Secretary RUMSFELD. The terms of reference provide guidance in a number of areas, including the security environment, national security interests and objectives, and defense strategy, in order to establish a common approach for the QDR analysis and recommendations.

10-YEAR CONTINGENCY RESERVE AND THE DOD BUDGET

26. Senator LIEBERMAN. Secretary Rumsfeld, the congressional budget resolution includes a 10-year "contingency reserve" of about \$500 billion, which in theory might be available for defense. In reality, it seems that much, and quite possibly all, of that reserve will be consumed by further tax cuts, the extension of expiring tax credits, higher spending on education, health, and other priorities. But even assuming for the moment, that the contingency reserve might be available for defense, given the way the tax bill was written, that reserve will amount to only about \$34 billion over the fiscal years 2002 to 2006.

It is likely that no reserve funds will be available in fiscal year 2003–2004. That means that the fiscal year 2003 defense budget—the first budget, we are told, that will fully reflect the administration's new defense plan—will have to propose a substantial cut in funding from the level likely to be enacted for fiscal year 2002.

How can you reconcile this fact with administration's statements that "help is on the way" for the Defense Department?

Secretary RUMSFELD. DOD leaders are confident that the President will remain committed to the revitalization of America's defense posture and will allocate the appropriate resources to advance that aim. We will not have estimates of what future funding might be needed until the Quadrennial Defense Review is completed and its recommendations are reflected in the fiscal year 2003 budget and in out-year budget plans.

ACCURACY OF FUTURE COST ESTIMATES

27. Senator LIEBERMAN. Secretary Rumsfeld, according to a report in Tuesday's *USA Today*, the three new Service Secretaries believe that substantial savings could be achieved through efficiency savings in the Defense Department, with one suggesting that savings of \$5 to \$30 billion a year might be possible. I hope the Secretaries will all vigorously pursue such savings. But I think it is dangerous to assume that such savings will materialize and bank on those savings in DOD's plans.

What will the Defense Department do to ensure that its future cost estimates are more realistic than its past estimates have been?

Secretary RUMSFELD. Estimated savings will have to be well-documented before they get reflected in actual budget requests. Our experience with base realignment and closure (BRAC) underlines the importance of sound cost savings data. Ultimately, BRAC estimates had to be substantiated by experts outside the Department. DOD leaders recognize that congressional oversight committees will demand substantiation of estimated cost savings.

28. Senator LIEBERMAN. Secretary Rumsfeld, specifically, will you assume cost growth in major acquisition programs more in line with historical experience, or continue to rely on current estimates—which according to CBO and others are too low?

Secretary RUMSFELD. The Department has been criticized in the past for underestimating the cost of major acquisition programs. One of the key initiatives of this administration is to use more realistic cost estimates as a basis for our budget.

QUESTIONS SUBMITTED BY SENATOR MAX CLELAND

SIZING MECHANISMS

29. Senator CLELAND. Secretary Rumsfeld, will you recommend some sizing mechanism other than the two-MTW construct we have used since the end of the Cold War?

Secretary RUMSFELD. We are exploring alternatives for force-sizing that reflect a broader range of contingencies than two MTWs. At this point in the review, I am not yet prepared to make a final recommendation. If we decide to move beyond the two-MTW force-sizing construct, it will be because we have found something better, not just to change for change's sake.

30. Senator CLELAND. Secretary Rumsfeld, if so, what is the new sizing mechanism and what changes to military force structure will you recommend based on this change?

Secretary RUMSFELD. We are exploring alternatives for force sizing that reflect a broader range of military contingencies than two MTWs. The implications for force structure of this alternative approach are under discussion.

31. Senator CLELAND. Secretary Rumsfeld, describe your reasons for these recommendations?

Secretary RUMSFELD. When one examines the two-MTW approach, several things stand out:

- The erosion in the capability of the force means that the risks we would face today and tomorrow are notably higher than they would have been when the two-MTW standard was established.
- We have skimped on our people, doing harm to their trust and confidence, as well as to the stability of the force.
- We have under-invested in dealing with future risks. We have failed to invest adequately in the advanced military technologies we will need to meet the emerging threats of the new century.
- We have not addressed growing institutional risks—the waste, inefficiency, and distrust that result from the way DOD functions.
- An approach that prepares for two major wars, by its very nature, focuses military planning on the near-term, to the detriment of preparing for longer-term threats.
- In the decade since the two-MTW approach was fashioned, we have not had two major regional wars, but we have done a host of other things, such as Haiti, Bosnia, Kosovo, non-combatant evacuations, humanitarian missions, and so on.

All of this led our team to the conclusion that we owed it to the President and the country to ask whether the two nearly simultaneous MTW approach remains the best one for the period ahead.

MAJOR UNFUNDED REQUIREMENTS DURING GENERAL SHELTON'S TENURE

32. Senator CLELAND. General Shelton, *outline briefly* the major unfunded requirements you and the Service Chiefs have presented to this committee over your tenure as Chairman.

General SHELTON. Outlined below are the major unfunded requirements that the Service Chiefs and I have presented to this committee during my tenure as Chairman of the Joint Chiefs of Staff. With the outstanding assistance of this committee, we have made great strides to provide our men and women in uniform with the support needed to remain the best trained, best equipped, and the most powerful military force on the face of the earth.

- Quality-of-Life Programs.
 - Military pay (including pay compensation/retirement reform/pay table reform)
 - Health care
 - TRICARE contract funding
 - Medical Care for our retirees
 - Housing
 - Military housing/barracks (but we are not done yet)
 - Housing allowances
 - Funds to reduce out-of-pocket (OOP) costs for off-base housing
- Readiness.
 - Modernization
 - Shortfall for force structure recapitalization and for transformational Research and Development
 - Operations
 - Increased cost of flying hours, tank miles, and steaming days
 - Spare parts, readiness training, and personnel shortfalls
 - Weapon systems maintenance and repair
 - Force protection capabilities improvements
 - Infrastructure
 - Growing backlog of facilities maintenance requirements and replacement

LEVELS OF FUNDING

33. Senator CLELAND. General Shelton, do you regard current levels of funding for military pay, housing, property maintenance, equipment recapitalization, and procurement as adequate?

General SHELTON. No, current levels are not adequate. President Bush's amended fiscal year 2002 defense budget request includes increases in many of these under funded areas. However, that is just the beginning. We will continue to require increased funding to achieve high morale, attract and retain quality personnel, ensure sound force readiness, and develop and field decisively superior combat systems.

NATIONAL MISSILE DEFENSE VS. MISSILE DEFENSE

34. Senator CLELAND. Secretary Rumsfeld, do you advocate that we change our reference from "national missile defense" to "missile defense"?

Secretary RUMSFELD. Yes. I do advocate changing our reference from national missile defense to missile defense.

35. Senator CLELAND. Secretary Rumsfeld, if so, why?

Secretary RUMSFELD. The President has said we will deploy defenses capable of defending the U.S., our deployed forces, our allies, and friends. Whether a particular system is a "national" system or a "theater" system depends on where you live and how close you are to the threat. Some systems—the boost-phase system for instance—may be effective against short-, medium-, and long-range ballistic missiles, whether they are directed at the United States or at allies in the theater. These systems should be used where they are most effective.

TECHNOLOGY

36. Senator CLELAND. Secretary Rumsfeld, are you aware that, even though it is true that the technologies supporting national and theater missile defense are similar, Lieutenant General Kadish himself has said that the engineering of the systems is different?

Secretary RUMSFELD. I agree, but I have great confidence in our ability to solve the engineering challenges we face against all ranges of threats, from short- to long-range.

INTEGRATED FLIGHT TESTS AND DEPLOYMENT DATES

37. Senator CLELAND. Secretary Rumsfeld, isn't it true that there has not been a single integrated flight test of a missile defense system since last summer?

Secretary RUMSFELD. Yes. Integrated Flight Test 5 (IFT-5) occurred on July 7, 2000. (Flight Test 6 (IFT-6) achieved a successful intercept on July 14, 2001.) However, it is important to emphasize that our approach to understanding an integrated missile defense system is based upon much more than the high visibility intercept tests such as IFT-5. For example, the risk reduction flights where the BMD system elements observe regularly scheduled Minuteman flights provide valuable insights into integrated performance. Risk Reduction Flights 9 and 10 occurred in September 28, 2000 and Risk Reduction Flight 11 occurred in February 7, 2001.

An important element to achieving test capability and to understanding integrated performance will be the BMD test bed. The BMD test bed will integrate boost, midcourse, and terminal element defenses as well as sensor and battle management, command, control, and communications from sites in the Pacific, Alaska and western United States. Over time, the test bed will help demonstrate weapons and sensor capabilities across the entire BMD program as they are made available. As part of the BMD test bed, development starts in fiscal year 2002 on a prototype ground support capability, to include launch facilities, interceptor integration facility, sensors, and networked communications. This includes five ground-based silos at Fort Greely, Alaska.

38. Senator CLELAND. Secretary Rumsfeld, isn't it also true that, according to the Ballistic Missile Defense Organization, the earliest, "high-risk" deployment is: 2009 for airborne laser; 2010 for sea-based systems; and 2006 for a ground-based system designed to intercept a missile in mid-course?

Secretary RUMSFELD. We need planning dates for our activities, and the timeframes you state are part of any planning process. I want to emphasize, however, that any date "certain" for these activities whether it's characterized as high-risk

or low-risk is problematical. This is an unprecedented technology development program designed to pursue the technological solutions to missile defense that hold the most promise. Any "deployment" dates that are planned at this time are inherently uncertain. That's why we have incorporated the idea of "emergency" capabilities that might bridge the gap between RDT&E and deployed capability.

39. Senator CLELAND. Secretary Rumsfeld, General Larry Welch, Chairman of the NMD Independent Review Team, stated in congressional testimony last July that we are not technically ready to decide whether or not to deploy a missile defense. Welch gave 2003 as the earliest possible decision point.

Are you aware of any verifiable, scientific evidence to support any different decision point?

Secretary RUMSFELD. No.

AIRLIFT REQUIREMENTS

40. Senator CLELAND. Secretary Rumsfeld, are you aware that the Commander in Chief of U.S. Transportation Command has stated that the change from a two-MTW sizing mechanism to the so-called "one-plus" mechanism will not affect the military's stated requirement (54.5 million-ton-miles per day) for airlift?

Secretary RUMSFELD. Yes, I have discussed the Department's airlift situation and capabilities with General Robertson on several occasions.

41. Senator CLELAND. Secretary Rumsfeld, do you concur with this assessment?

Secretary RUMSFELD. The recent Mobility Requirements Study is the most exhaustive mobility study to date. It provides a comprehensive assessment of our overall mobility requirements in a variety of scenarios, including two nearly-simultaneous MTWs. The study shows that under certain extremely demanding conditions we have insufficient airlift assets to meet the requirement, and recommends a program to develop between 51.5 and 54.5 million-ton-miles per day of airlift capacity. Airlift capacity certainly remains a vital element of our national military strategy, and is receiving careful consideration in the QDR to support balancing our mobility requirement against other strategic risks and affordability decisions. In general, I am inclined to agree that a shift from the two-MTW sizing construct itself will not significantly reduce our lift requirements, but changes in other planning factors might increase or decrease lift requirement. After the defense strategy is agreed upon and in place more detailed analysis of lift requirements will probably be desirable.

NMD DEPLOYMENT READINESS REVIEW

42. Senator CLELAND. Secretary Rumsfeld, I request that you provide my office and the Senate Armed Services Committee with copies of the August 2000 National Missile Defense Deployment Readiness Review.

Secretary RUMSFELD. A copy of this report was provided to the Chairman of the Senate Armed Services Committee by the Department of Defense on May 31 of this year. A copy of the cover letter is enclosed.

DEPARTMENT OF DEFENSE,
OFFICE OF GENERAL COUNSEL,
Washington, DC, May 31, 2001.

The Honorable JOHN W. WARNER,
Chairman, Committee on Armed Services,
United States Senate,
Washington, DC.

DEAR MR. CHAIRMAN: The attached August 2000 Report in Support of the National Missile Defense Deployment Readiness Review as prepared by the former Director, Operational Test and Evaluation, Mr. Philip Coyle, is provided by the Department of Defense as a matter of discretion for use by the committee for its oversight purposes.

The Department of Defense has not, however, approved the release of this report to the general public. Accordingly, the report should not be disclosed to persons other than Members of Congress and professional staff members who have an official need to see it. The discretionary release of this particular report is in response to a request from the House of Representatives Committee on Government Reform and Oversight. This release does not waive any privilege and it does not constitute a public release.

Additionally, the discretionary release of this report should not be construed as a waiver of any future exercise of executive privilege or any other lawful grounds to deny release of reports of this nature.

If you have any questions, please feel free to contact Colonel Don Curry in Legislative Affairs at (703) 695-4132.

Sincerely,

STEWART F. ALY,
Acting Deputy General Counsel
(Legal Counsel)

Copy Furnished:
The Honorable Carl Levin.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

CHINESE MISSILES

43. Senator AKAKA. Secretary Rumsfeld, has the Defense Department made an assessment as to whether or not the number of missiles and warheads that China intends to deploy would be affected by an American decision to deploy a TMD in Asia or an NMD system?

Secretary RUMSFELD. [Deleted.]

44. Senator AKAKA. Secretary Rumsfeld, in other words would China likely increase the number of missiles and warheads in response to a new American capability?

Secretary RUMSFELD. [Deleted.]

45. Senator AKAKA. Secretary Rumsfeld, if there has been such an assessment, what is it, and if there has been no such assessment, does the Defense Department (including the Defense Intelligence Agency) intend to carry out such an assessment?

Secretary RUMSFELD. The national intelligence estimate noted above [deleted].

46. Senator AKAKA. Secretary Rumsfeld, does the Defense Intelligence Agency believe that China can deploy, with a high degree of confidence, new nuclear warheads on its new mobile, intercontinental missiles without testing those warheads?

Secretary RUMSFELD. [Deleted.]

ABM TREATY AND STRATEGIC STABILITY

47. Senator AKAKA. Secretary Rumsfeld, in response to Senator Levin's questions on the ABM Treaty, you indicated that a treaty that is 30 years old should not be the cornerstone of our arms control strategy in the 21st century. If not the ABM Treaty, what arms control agreements—either old or prospective ones—would you recommend be the cornerstones of our strategy in this century?

Secretary RUMSFELD. The administration intends to construct a new strategic framework that reflects the realities of the post-Cold War world and not the Cold War adversarial relationship premised on distrust and mutual vulnerability. The world has changed fundamentally—Russia is not the Soviet Union and not an enemy—and the rationale for Cold War arrangements no longer exists. As part of a comprehensive strategy to protect against the threats of the 21st century, we need a new concept of deterrence that includes both offensive and defensive forces. The new framework will reflect a clean break from the Cold War, and will not be based on the 1972 ABM Treaty. Instead, it will be premised on openness, mutual confidence, and real opportunities for cooperation. The new framework will also include substantial reductions in offensive nuclear forces, cooperation on missile defense, enhanced non- and counter-proliferation efforts, and measures to promote confidence and transparency.

FUTURE THREATS

48. Senator AKAKA. Secretary Rumsfeld, has your office been briefed by the Defense Intelligence Agency's Futures Group on emerging threats?

Secretary RUMSFELD. DIA has provided its Future Threats and Challenges briefing directly to OSD seniors, including the Principal Deputy Under Secretary of Defense for Policy (Dr. Cambone), the Special Assistant to the Secretary (Mr. Haver), the Deputy Assistant Secretary of Defense for Strategy (Mr. Hoehn), and the Deputy

Assistant Secretary of Defense for Requirements & Plans (Dr. Lamb). Also, between February and December 2000, in anticipation of the upcoming QDR, DIA presented some 25 topical future threat briefings to a panel of senior (SES-level) OSD career civil servants and their flag-level Joint Staff counterparts. Many of those officials are involved in the ongoing defense review.

49. Senator AKAKA. Secretary Rumsfeld, if so, was their assessment of future threats incorporated in your current defense review?

Secretary RUMSFELD. DIA has been a part of the analytic process and elements of DIA's future threat assessment have been incorporated into the ongoing defense review. DIA provided direct support to several of the pre-QDR analytic projects that took place in the January to May 2001 timeframe. Since then, DIA has reviewed and commented on both the QDR terms of reference and the QDR illustrative planning scenarios. A senior DIA representative attends meetings of the QDR Executive Working Group, and DIA has provided substantive intelligence support as required to several of the QDR integrated process teams.

EXPENDITURES ON COUNTER-TERRORISM AND MISSILE DEFENSE

50. Senator AKAKA. Secretary Rumsfeld, Senator Cleland voiced his concern over your focus on ICBMs as the most pressing risk we face from weapons of mass destruction, perhaps at the expense of other threats. Many experts, including Senator Nunn, view suitcase or truck bombs to be a more immediate threat. You responded to his concerns by stating that you recognize that terrorism is another threat and that the U.S. is currently spending more on terrorism than on missile defense.

Could you provide a breakdown of expenditures on counter-terrorism programs and missile defense?

Secretary RUMSFELD. The DOD will spend approximately \$4,579.5 million in fiscal year 2001 for combating terrorism (vice counterterrorism). The Department of Defense's funding in support of combating terrorism (CbT) encompasses multiple actions and budget categories. Shown below is funding by category:

[TOA, Dollars in Millions]

Combating Terrorism Category	Fiscal Year 2001
Antiterrorism	3,573.7
Counterterrorism	545.8
Terrorism Consequence Management	352.9
Intelligence	143.1
Total	4,579.5

The total U.S. funding estimate for combating terrorism is nearly double the amount of DOD support. According to the Office of Management and Budget, this information will soon be available once the "Executive Office of the President Annual Report to Congress on Combating Terrorism" is finalized.

The budget estimate for missile defense in fiscal year 2001 is \$4,762.9 million. Shown below is the estimate by category:

[TOA, Dollars in Millions]

Ballistic Missile Defense	Fiscal Year 2001
National Missile Defense	1,932.0
Navy Theater Wide	457.4
Theater High Altitude Area Defense	543.7
PAC-3	442.9
Navy Area Theater Ballistic Missile Defense	271.6
Medium Extended Area Defense System	52.8
Other	1,062.5
Total	4,762.9

NMD OPERATIONAL REQUIREMENTS DOCUMENT

51. Senator AKAKA. Secretary Rumsfeld, has the administration changed the Operational Requirements Document (ORD)?

Secretary RUMSFELD. The current NMD ORD is dated May 23, 2000. There have been no changes to the ORD since then. However, we believe that building missile defense according to an ORD is not the best way to achieve an effective missile defense capability at the earliest possible date. Therefore, we are adopting a capability-based approach to development ballistic missile defenses.

The business of missile defense requires coping with a number of technological, developmental, acquisition, and threat uncertainties. Under the previous program, we followed a traditional acquisition approach, with design-to-threat requirements for our missile defense systems set by the Services. We realized early in our missile defense review that we needed an acquisition approach that recognized the reality that BMD requirements were without precedent, difficult to know with certainty, and that meeting those requirements depended almost entirely on capabilities that could only be achieved incrementally through an evolutionary development approach.

In response to these constraints, we have adopted a capability-based approach. This approach recognizes that changes will occur along two separate axes. On one axis, the threat will evolve and change over time based on the emergence of new technologies, new missile states, and the operational and technical adjustments adversaries might make (to include the appearance of countermeasures) in response to the deployment of our BMD system. On the other axis lies another series of likely changes we will experience, including: improvements in our BMD technologies; incremental system enhancements; evolving views of system affordability; and decisions to expand areas requiring defensive protection, to include potential territories of our allies and friends. Since we do not know the details of the architecture that we will use to build the system, and given the evolutionary nature of our approach, we are not in a good position to follow the conventional build-to-requirements acquisition process. The BMD system will take shape over time based on the successful demonstration of technologies in our testing program.

The capability-based approach provides capabilities to the user as they are achieved. We believe it will permit the achievement of best value in capability as soon as possible.

ABM TREATY PROVISIONS FOR NEW TECHNOLOGIES

52. Senator AKAKA. Secretary Rumsfeld, you stated several times that the ABM Treaty will prevent us from testing and developing a national missile defense system required to protect our Nation and our allies.

Doesn't the ABM Treaty provide for consultation and amendments specifically for future technology bringing forth new ABM systems "based on other physical principles"?

Secretary RUMSFELD. Agreed Statement D of the ABM Treaty provides that, in the event ABM systems based on other physical principles (OPP) are created in the future, specific limitations on such systems and their components would be subject to discussion and agreement. However, Agreed Statement D has been interpreted as applying only to fixed, land-based systems while the missile defense systems we are exploring also include sea-based, air-based, and space-based systems, the development, testing, and deployment of which are prohibited by Article V. Moreover, regardless of the basing modes or physical principles involved, the treaty prohibits a nationwide defense of the U.S. territory and the American people.

SPACE POLICY

53. Senator AKAKA. Secretary Rumsfeld, on May 8, you announced your plans to implement the Space Commission recommendations to Congress. At that time, you denied that these changes were designed to lay the groundwork for orbiting space weapons. Yesterday, General Anderson, Deputy Commander of the U.S. Space Command, told the House Armed Services Military Procurement and Military Research Subcommittees that you had tasked them to "plan for force application from space." He stated that even though we are precluded at this time from deploying weapons in space, we must prepare now to push up "the space superiority throttle." General Anderson went on to state that, "the mere fact that the United States is developing means to employ force in space may serve as a significant deterrent." I appreciate the need to protect our space assets.

Is the Defense Department at all concerned that such planning could serve as a call for other nations to develop their own space weapons capabilities and lead to an arms race in space?

Secretary RUMSFELD. No. Conducting planning to be able to carry out the missions assigned to the Commander in Chief of U.S. Space Command will not serve as a call for other nations to develop their own space weapons capabilities or lead to an arms race in space.

54. Senator AKAKA. Secretary Rumsfeld, if this is not a concern, why isn't it?

Secretary RUMSFELD. There already is ample evidence that other nations and entities are pursuing the means to threaten our space assets. For example, hackers are continuously probing the Department's computer networks, Russia is selling systems to interfere with the Global Positioning System on the international market, and the Xinhua News Agency has reported that the Chinese military is developing methods and strategies for defeating the U.S. in a high-tech space-based future war. These actions are not being pursued because of the planning U.S. Space Command is conducting to be able to carry out its assigned missions.

55. Senator AKAKA. Secretary Rumsfeld, many of the capabilities that General Anderson mentioned at the House Armed Services Committee hearing dealt with both ensuring our use of space when we want it and denying it to others when we feel it necessary. One of the provisions of the ABM Treaty states that parties will undertake not to interfere with the national technical means of verification. General Anderson's comments about denying the use of space to others, specifically denying their use of surveillance satellites, would constitute interfering with the technical means of another country.

Is one of the administration's reasons for wishing to abrogate the ABM Treaty motivated in part by the restrictions it places on anti-satellite weapons?

Secretary RUMSFELD. No, as the President has said, we need to move beyond the ABM Treaty because it prohibits us from pursuing promising new missile defense technologies.

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

ABM TREATY AND MISSILE DEFENSE TESTING

56. Senator BILL NELSON. Secretary Rumsfeld, why and how would the testing of a missile defense system break the ABM Treaty?

Secretary RUMSFELD. These are complex questions that depend, in large part, on the details of a specific test and may involve a number of ABM Treaty provisions. Generally, the ABM Treaty restricts testing of ABM systems to fixed, land-based systems at established test ranges. It specifically prohibits the testing (as well as the development or deployment) of mobile ABM systems (e.g., sea-, air-, or space-based). Under the treaty, only limited, preliminary testing, such as demonstrating technical feasibility, could be done. The ABM Treaty also prohibits testing non-ABM interceptor missiles, radars, and launchers "in an ABM mode" (i.e., to determine their capabilities to counter strategic ballistic missiles), which would preclude them from being tested against strategic ballistic missiles. In short, the testing needed to fully attain effective capabilities in multiple basing modes against longer-range missiles is prohibited by the treaty.

57. Senator BILL NELSON. Secretary Rumsfeld, would the ballistic missile testing from Aegis ships violate the ABM Treaty?

Secretary RUMSFELD. The question of whether ballistic missile defense testing from Aegis ships would violate the ABM Treaty is complex, depending on the details of a specific test, and may involve a number of ABM Treaty provisions. The ABM Treaty does not restrict testing of non-ABM radars, interceptors, and launchers (which make up the current Aegis weapon system) against shorter-range (i.e., non-strategic) ballistic missiles. The testing conducted to date from Aegis ships has been compliant with the ABM Treaty. However, the ABM Treaty prohibits giving non-ABM radars, interceptors, and launchers capabilities to counter strategic ballistic missiles, or testing them "in an ABM mode" (i.e., to determine their capabilities to counter strategic ballistic missiles) such as by testing them against strategic ballistic missiles. The treaty also prohibits testing (as well as development or deployment) of sea-based ABM interceptors, radars, and launchers, and thus would prohibit testing such components aboard Aegis (or other) ships. Since a goal of our missile defense program is to provide Aegis with the capability to defend against longer-range

ballistic missiles, we will have to go beyond the testing permitted by the ABM Treaty to fully attain that capability.

58. Senator BILL NELSON. Secretary Rumsfeld, would the testing of the airborne laser (ABL) on a theater ballistic missile be a violation of the ABM Treaty?

Secretary RUMSFELD. Whether the testing of ABL against a theater ballistic missile would violate the ABM Treaty is a complex question, depending mainly on the ABL's capabilities. The ABL has been intended to be a system to counter theater ballistic missiles, i.e., a non-ABM system. The ABM Treaty does not constrain air-based non-ABM systems, nor their testing against theater (i.e., non-strategic) ballistic missiles. However, the treaty does prohibit development, testing and deployment of air-based ABM systems that have the capability to counter strategic ballistic missiles. Thus, the issue will be whether ABL will have the capability to counter strategic ballistic missiles at the time it is tested, regardless of whether that testing is only against a theater ballistic missile. However, the first ABL test against a ballistic missile is still 2 years away.

59. Senator BILL NELSON. Secretary Rumsfeld, will the planned flight test between the Marshall Islands and Vandenberg AFB violate the ABM Treaty?

Secretary RUMSFELD. All currently planned integrated flight tests (IFTs) involve land-based ABM interceptor missiles launched from the Kwajalein ABM Test Range in the Marshall Islands against strategic ballistic missile targets launched from Vandenberg AFB, with mid-course intercept planned to occur above the Pacific. All IFTs to date were determined to be compliant with the ABM Treaty. As future tests are defined, compliance determinations will be made for each individual test.

60. Senator BILL NELSON. Secretary Rumsfeld, at what point, either during research and development or during the planned IFTs, would we violate the ABM Treaty?

Secretary RUMSFELD. Previous IFTs were all determined to be compliant with the ABM Treaty. As future tests are defined, compliance determinations will be made for each individual test.

With respect to other research and development activities, we are expanding our program to add tests of various technologies and basing modes that, at some point, will encounter the constraints imposed by the ABM Treaty. We have not yet determined what that point will be, but it is likely to occur in months rather than years.

61. Senator BILL NELSON. Secretary Rumsfeld, would the administration propose deployment of a missile defense system if it does not pass adequate tests?

Secretary RUMSFELD. No. However, rudimentary defense systems that have not fully completed their development test schedule or that are substantially less than 100 percent effective can help deter threats and defend against attacks. We should not face an all-or-nothing choice in missile defense any more than we do regarding other defense programs.

MISSILE DEFENSE CONSULTATIONS

62. Senator BILL NELSON. Secretary Rumsfeld, will you participate in the decision-making process of deployment of such a system, considering the level of diplomacy required to ensure such a system actually improves global security?

Secretary RUMSFELD. I will be a principal advisor to the President during the decision-making process regarding the deployment of a missile defense system. I agree that the level of diplomacy necessary to convince our friends and allies that missile defense is a key component of deterrence is significant, and I believe a limited missile defense system will enhance global security.

IMPACT OF MISSILE DEFENSE ON GLOBAL SECURITY

63. Senator BILL NELSON. Secretary Rumsfeld, would the administration deploy a missile defense system if, in your judgment, it decreases global security?

Secretary RUMSFELD. No, but at this time I can not envision a limited system that would decrease global security.

VIEQUES

64. Senator BILL NELSON. Secretary Rumsfeld, what is the advantage of canceling the referendum on Vieques? If the people vote for the Navy to leave, you have the same result.

Secretary RUMSFELD. The advantage of canceling the referendum is that matters pertaining to this training range will be decided by the Secretary of the Navy. Also we will have avoided a potentially counterproductive precedent to the much larger issue of training range encroachment.

65. Senator BILL NELSON. Secretary Rumsfeld, are you asking us to repeal the legislation that mandates the referendum in November? I'm not convinced that would be the best course.

Secretary RUMSFELD. The National Defense Authorization Act for Fiscal Year 2001, requiring a referendum on the island to decide whether the Navy and Marine Corps can continue to train there, has put the Department of the Navy in the challenging situation of having fleet training and readiness being decided to some extent by local referendum. In view of this the Secretary of the Navy decided to aggressively pursue suitable training alternatives now.

66. Senator BILL NELSON. Secretary Rumsfeld, wouldn't both the people of Vieques and the Navy believe they got a fair shake if the referendum is allowed to go forward?

Secretary RUMSFELD. I don't think I can speak for the people of Vieques. However, as Secretary of Defense, I believe it is in the best interests of the Nation that matters relating to national defense be decided at the national level.

67. Senator BILL NELSON. Secretary Rumsfeld, what contingencies does the Navy have to deal with a departure from Vieques prior to May 2003 if that becomes necessary?

Secretary RUMSFELD. There are currently no singular satisfactory alternatives to Vieques. Between now and May 2003, Navy is working to develop the best possible combination of methods and places to replace Vieques.

QUESTIONS SUBMITTED BY SENATOR MARK DAYTON

EDUCATIONAL OPPORTUNITIES DIRECTORATE

68. Senator DAYTON. Secretary Rumsfeld, is it your intention to fully support the Educational Opportunities Directorate and its mission to serve military children being educated in our public school system?

Secretary RUMSFELD. The Educational Opportunities Directorate (EOD) was established about a year ago to address educational issues related to the fact that school-aged children of military personnel relocate an inordinate number of times, following their military sponsors overseas and from state to state. While DOD operates schools for about 110,000 of its military dependent students, most of an additional 600,000 attend public schools in states that each have their own testing and graduation requirements, policies regarding transfer of credit, school year calendars, and unique class schedules.

The EOD is working with school districts, especially those that serve large populations of military dependent students, to align policies and practices so as to ease students' transitions from one school system to another.

I support the Department's efforts to diminish the negative impact on children and families when military members move to new duty assignments. The new directorate also provides us with the opportunity to consolidate in one office a number of personnel that deal with other education-related policies and programs. These include the off-duty, Voluntary Education Program for military personnel and their families, special needs and the Exceptional Family Member Program, Troops-to-Teachers, Impact Aid, and the Transition Program for Separating Servicemembers.

CRUSADER

69. Senator DAYTON. Secretary Rumsfeld, in a recent hearing, both the Secretary of the Army and the Chief of Staff of the Army spoke quite favorably about the Crusader weapon system. At this point, have you made a determination about the Crusader's future?

Secretary RUMSFELD. Crusader will provide decisive overmatch while the Army transforms to the Objective Force. It contains more than two-dozen cutting-edge technologies that are currently nonexistent in our force and would serve as a developmental bridge as we continue to transform our forces for the future. It would provide the Joint Force Commander with continuous, immediate, all-weather, 360-degree precision fires at unprecedented ranges and sustained rates of fire. The national security review is ongoing and no final decisions have been made regarding Crusader or any other weapons systems. We will continue to evaluate as we consider our future strategy and investments.

OPTEMPO AND QUALITY OF LIFE

70. Senator DAYTON. General Shelton, does the defense strategy review attempt to address the optempo and quality of life issues that may affect our service-members?

General SHELTON. Yes. The Quadrennial Defense Review (QDR) will give us an opportunity to assess our requirements including ways to reduce optempo and improve quality of life for our troops. A QDR goal is to recommend a force structure that will be able to execute successfully the full range of missions called for in the national defense strategy without creating an optempo that creates significant morale or retention shortfalls. As I have stated in previous testimony, optempo and quality of life are two of my top priority issues.

71. Senator DAYTON. General Shelton, do you see optempo and quality of life issues as high priorities during the review?

General SHELTON. Optempo and quality of life issues are high priorities during the review process. We have to fix some of those parts of the force that are over-worked and over-utilized and this review will hopefully find some innovative solutions.

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

OPERATIONS OTHER THAN WAR

72. Senator WARNER. Secretary Rumsfeld and General Shelton, since the end of the Cold War, our forces have been employed in more frequent, complex, and varied operations and contingencies.

In your view, what are the appropriate uses of the U.S. military for missions short of major war?

Secretary RUMSFELD. U.S. combat troops should generally be reserved for the most significant strategic challenges to the international order. U.S. forces' participation in peace operations can serve the national interest, for example by securing the environment in which civil implementation of peacekeeping arrangements can take place. Such participation can also strengthen military skills in areas such as coalition operations, logistics, communications, engineering, medical support, small unit leadership, and civil affairs.

In cases of significant humanitarian crises, we should seek as a first resort to help develop mechanisms whereby other nations can work together and take the leading responsibility. The United States may be willing to provide assistance but others should take the lead wherever possible.

General SHELTON. The military defends and supports U.S. interests through the application of decisive power in defending the U.S. homeland and fighting and winning the Nation's wars. Also, the position of the United States as a global power in conjunction with the current and future security environment creates a requirement for the National Command Authorities to consider using the Armed Forces to participate in multiple small-scale contingencies and conduct peacetime engagement activities. For this reason, military strategy must focus on the entire spectrum of military operations.

Finally, let me add that the primary goal of the QDR is to recommend sufficient force structure and resources to carry out our national defense strategy. As I have testified on previous occasions, we won't be satisfied until a strategy-force balance is achieved. We owe that to our great soldiers, sailors, airmen, and marines—and we owe that to our country.

73. Senator WARNER. Secretary Rumsfeld and General Shelton, what will be your criteria for deciding whether to recommend deployment of U.S. forces for such missions?

Secretary RUMSFELD. The use of U.S. military forces is one of the most important decisions a President can take. It is an issue for the President and his national security team, not the Secretary of Defense alone. Each case is unique. In the end, each case must be decided by the President, having been informed by discussions with his national security team.

Some of the questions that should be discussed when considering the use of force include:

- Are the goals achievable?
- Do we have the resources?
- What interests are at stake?
- Are there constraints, such as the command structure, that will impact how we can carry out the operation?
- How would we characterize success?

General SHELTON. I hesitate to explicitly list criteria because of the danger of it being used as a checklist. However, some of the issues that would inform my judgment are:

I will recommend deployment of U.S. forces for operations other than war when I think that the military is the appropriate tool of national power to protect our national or humanitarian interests. The criteria that I consider include: assessing whether the costs and risks of the deployment are commensurate with the national interest that is at stake; whether we have clearly defined achievable objectives; and whether we have a desired end-state in mind that will guide us in a decision to terminate the deployment.

Additional criteria include: if the scale of a humanitarian catastrophe dwarfs the ability of other government or civilian agencies to respond; when the need for relief is urgent and only the military has the ability to provide an immediate response that would result in lives and resources being saved; when the military is needed to establish the conditions for the use of other elements of national power; when a humanitarian crises could affect U.S. combat operations; or when a response requires unique military capabilities.

The military normally is not the best tool for humanitarian concerns, but under certain conditions the military may be the best tool of national power to further national interests.

74. Senator WARNER. Secretary Rumsfeld and General Shelton, how much and what kind of military involvement should there be in other contingencies and in peacetime engagement activities?

Secretary RUMSFELD. In the decade since the end of the Cold War, the United States has been involved in a host of contingencies short of war, such as Haiti, Bosnia, Kosovo, non-combatant evacuations, humanitarian missions, and a wide range of peacetime engagement activities.

U.S. combat troops should generally be reserved for the most significant strategic challenges to the international order. Nevertheless, to meet our defense policy goals of assuring allies and dissuading and deterring potential adversaries, it may be in our national interest to conduct selected contingencies short of war. The numbers and types of such operations involving U.S. military forces will be determined on a case-by-case basis, depending on, among other things, the national interests at stake, whether the goals of the mission are achievable, and the availability of resources.

General SHELTON. The answer depends upon such factors as the national interests involved, the specific contingency or peacetime engagement activity, whether other tools of national power are appropriate to use, and whether civilian agencies and/or allies are involved. Contingencies and peacetime engagement activities are operations that are part of the full range of military operations.

The full range of operations includes maintaining a posture of strategic deterrence. It includes conflict involving employment of strategic forces and weapons of mass destruction, major theater wars, regional conflicts, smaller-scale contingencies, and theater engagement and presence activities. It also includes those ambiguous situations residing between peace and war, such as peacekeeping and peace enforcement operations, as well as noncombat humanitarian relief operations and support to domestic authorities.

Complex contingencies such as humanitarian relief or peace operations will require a rapid, flexible response to achieve national objectives in the required time-frame. Some situations may require the capabilities of only one Service, but in most cases, a joint force comprised of both Active and Reserve Components will be employed.

The complexity of future operations also requires that, in addition to operating jointly, our forces have the capability to participate effectively as one element of a unified multinational effort. This integrated approach brings to bear all the tools of statecraft to achieve our national objectives unilaterally when necessary, while making optimum use of the skills and resources provided by multinational military forces, regional and international organizations, nongovernmental organizations, and private voluntary organizations when possible.

Ultimately, the National Command Authorities make the decision to use the military element of national power, and we will always execute that decision to the best of our ability.

HOMELAND SECURITY

75. Senator WARNER. Secretary Rumsfeld, in your view, what are the appropriate roles and missions for the Department of Defense in support of homeland security?

Secretary RUMSFELD. The U.S. military has a long and proud tradition of protecting the American homeland from a wide variety of threats. Homeland defense is not a new mission area. Over time, the nature of the threat has changed—from traditional land and maritime invasion in the country's early years, to potential nuclear attack during the Cold War, to the potential of missile, nuclear, biological, chemical, and information attacks from both state and non-state actors, such as terrorists. Part of our strategic review will address how the Department of Defense should be postured to ensure continued defense of the U.S. homeland from these evolving threats.

76. Senator WARNER. Secretary Rumsfeld, is the Department properly organized to provide adequate support to civil authorities and Federal agencies?

Secretary RUMSFELD. The Department of Defense is prepared to leverage its warfighting structure to provide both crisis and consequence management support to civil authorities for all incidents, to include those involving multiple, geographically dispersed WMD events. The Department's focus is to provide unique resources and capabilities which are not resident in other agencies, such as the ability to mass mobilize and provide extensive logistical support.

The Department recently consolidated civilian oversight responsibility for combating terrorism activities, to include domestic consequence management activities, within the Office of the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict. The Assistant Secretary acts as the one senior civilian official to advise the Secretary and the Deputy Secretary on all DOD combating terrorism policies, programs, and activities.

COALITION OPERATIONS

77. Senator WARNER. Secretary Rumsfeld, what role do you expect allies and coalition partners to play across the spectrum of military operations?

Secretary RUMSFELD. There are many advantages to combined military operations, one of the most obvious being that the participation of allies and coalition partners can reduce the burden on U.S. forces. Our allies and coalition partners operate with U.S. forces on a routine basis, both in training and ongoing contingencies across the full spectrum of military operations. We anticipate this type of critical cooperation will grow in the future based on shared interests with allies and friends around the globe.

PEACEKEEPING AND HUMANITARIAN OPERATIONS

78. Senator WARNER. Secretary Rumsfeld, do you envision a role for U.S. forces in peacekeeping and humanitarian operations, and if so, under what circumstances?

Secretary RUMSFELD. U.S. combat troops should generally be reserved for the most significant strategic challenges to the international order. U.S. forces' participation in peace operations can serve the national interest, for example by securing the environment in which civil implementation of peacekeeping arrangements can take place. Such participation can also strengthen military skills in areas such as coalition operations, logistics, communications, engineering and medical support, small unit leadership, and civil affairs.

In cases of significant humanitarian crises, we should seek as a first resort to help develop mechanisms whereby other nations can work together and take the leading responsibility. The United States may be willing to provide assistance but others should take the lead wherever possible.

INFORMATION OPERATIONS

79. Senator WARNER. Secretary Rumsfeld and General Shelton, Joint Vision 2020 and many defense review panels stress the importance of information operations and information dominance. All of the military departments, several defense agencies, and some unified commanders have developed extensive information operations capabilities.

What role do you envision for information operations in your strategic framework?

Secretary RUMSFELD. U.S. defense planning must recognize new opportunities and address vulnerabilities in the information sphere. I envision the role of information operations in my strategic framework as a required mission area that must be integrated into military operations as a complement to air, land, sea, space, and special operations. Looking toward the future, the U.S. requires forces that are more capable of information operations and particularly of ensuring information availability.

General SHELTON. As we stated in Joint Vision 2020, information superiority is a key enabler of military victory. Information operations, together with robust and reliable command, control, communications, and computer (C⁴) systems and timely, accurate intelligence, are essential to attaining information superiority. If we can control information in future battles, by influencing the enemy to capitulate or by denying him the ability to comprehend the battle space and execute command and control of his forces while protecting our ability to do those things, we will prevail more quickly and at lower cost.

As our forces are often called upon to engage in operations other than war, such as peacekeeping and humanitarian assistance, we also recognize the importance of shaping the environment in which our forces operate on a daily basis. We can do this by combining the use of information operations capabilities against our adversaries with other informational activities, such as public affairs and civil-military operations, focused on friendly or neutral audiences. By planning and executing these activities the same way we would a wartime campaign, we can state the U.S. position succinctly to garner support from friends and allies, neutralize adversary propaganda, and ensure that the American public is informed about the efforts of American servicemembers to promote peace and stability in the world. It is important to remember, however, that the military represents only one element of national power, which must be synchronized and integrated with the U.S. Government's other diplomatic, economic, and informational activities. The more successful we are in integrating the military's shaping efforts with those of other U.S. Government agencies, the more effective our efforts to promote American values will be.

80. Senator WARNER. Secretary Rumsfeld and General Shelton, are you satisfied with the unity of effort with the Department on this emerging capability?

Secretary RUMSFELD. I am satisfied that the Department has made progress in this regard but have not yet completed an assessment of what further steps are required. The Department is working together to evolve and integrate information operations (IO) policies, doctrine, plans, programs, training, experimentation, and operations to support the national security strategy. IO entails the close coordination of offensive and defensive capabilities and activities involving electronic warfare, psychological operations, deception, operational security and computer network attack and defense. Specific responsibilities for IO within the Department are delineated in DOD Directive 36001 published in December 1996. As IO continues to evolve within DOD, I expect further refinements in how the Department organizes to plan and execute IO.

General SHELTON. As with any new capability, some information operations initiatives will prove more successful than others. On the other hand, we have unquestionably made considerable progress over the past few years. Information operations and information superiority both involve the development of new warfighting capabilities as well as a new understanding of how existing capabilities can be employed to achieve our military objectives more efficiently.

Emerging computer network attack and defense capabilities represent an important aspect of information operations. We have been at the forefront of efforts to enhance the security of U.S. government computer networks and to defend those networks from unauthorized activity (e.g., exploitation of data or attack). Recognizing that the threat to our networked systems is real and increasing, we established the Joint Task Force-Computer Network Defense in December 1998, and assigned responsibility for that mission to U.S. Space Command in 1999. We have incorporated intrusion detection software in many of our networks, erected firewalls, and increased awareness training for our personnel through our information assurance program.

In October 2000, we designated the Commander in Chief, U.S. Space Command, as the military lead for offensive computer network operations as well, and charged U.S. Space Command with overseeing the development of capabilities and procedures for this aspect of offensive information operations. In April 2001, U.S. Space Command redesignated the Joint Task Force-Computer Network Defense as the Joint Task Force-Computer Network Operations to reflect this new mission. The Services also cooperate with other Defense and Intelligence Community agencies in efforts to defend the networks that are vital to our national security.

As you have indicated, the Services, Defense agencies, and combatant commanders are all devoting a great deal of effort to this area. I believe we have the structures and procedures in place to keep duplication of effort to a minimum and ensure the broadest diffusion of advances in information operations capabilities across the Department.

FORCE STRUCTURE/FORCE SIZING

81. Senator WARNER. General Shelton, in your view, does the emerging defense strategy solve this mismatch without significant additional risk to our Nation and its vital national interests?

General SHELTON. This question is being addressed as a part of the ongoing QDR. The strategy-resource mismatch was created because it was assumed that a two-MTW construct would allow us to handle all other types of force employments as lesser-included cases. In recent years however, as our force structure declined, the level of our military commitments increased. The resulting increased perstempo and optempo, combined with our shortages in strategic lift and high-demand/low-density assets, caused the strategy-resource mismatch. As I've stated in the past, it is extremely important for the Armed Forces and our Nation that a situation in which we carry out too much strategy with too little force structure be avoided.

Ultimately, a combination of actions can correct the strategy-resource mismatch. Increased resources, reducing operations and maintenance requirements through another round of base closures, outsourcing services where possible, and/or appropriately adjusting the strategy based upon changes in the security environment can assist in correcting this mismatch.

As required by the National Defense Authorization Act for Fiscal Year 2000, I will address political, strategic, and military risk in the mid-, near-, and long-term in the finalized QDR report. However, with the new national defense strategy and QDR ongoing, it is premature to assess whether there will be an increase in risk to our Nation.

82. Senator WARNER. General Shelton, in testimony before this committee last year, you acknowledged the strategy-resource mismatch in our current force structure. You further described increasing risk associated with a second MTW and recommended significant increases in defense spending.

Are you satisfied that sufficient capabilities will be available to meet regional commanders' needs?

General SHELTON. This is an important question being addressed as a part of the Office of the Secretary of Defense ongoing QDR. The QDR is meant to be a broad examination of all aspects of U.S. defense strategy, current force structure, and risk. Its goal is to balance our defense strategy with an appropriate force structure capable of executing the strategy at low to moderate risk. We owe it to the Nation, as well as the men and women of our Total Force, to get the balance right and to provide the resources necessary to achieve and maintain that balance.

The new national defense strategy is not finalized. The QDR is still ongoing. Consequently, it is premature for me to assess whether sufficient capabilities and resources will be available to execute the strategy. However, as required by the QDR legislation, my assessment will be included in the finalized QDR report.

JOINT EXPERIMENTATION

83. Senator WARNER. Secretary Rumsfeld and General Shelton, this committee has vigorously promoted the need for robust joint experimentation to develop new force concepts and capabilities.

What role do you envision for joint experimentation in developing needed concepts for the future?

Secretary RUMSFELD. Concept development is a vital first step that must precede any kind of experimentation, joint or otherwise. A coherent joint operational concept provides the intellectual "glue" that bonds together the disparate elements of the

Joint Force and synchronizes the efforts of all the subordinate elements. Iterative experimentation helps refine concepts and determine their utility. Some elements of emerging operational concepts are already known but require refinement. That is where the Department's experimentation efforts—particularly joint experimentation—provide the greatest utility. Experimentation is vital for determining what works well and what does not and, in general, how well future joint forces will work together. Thus, concept development and refinement is an inherent function of the joint experimentation program.

General SHELTON. Joint concept exploration is the basis for joint warfighting experimentation. U.S. Joint Forces Command (USJFCOM), as the Department of Defense Executive Agent for joint experimentation, will coordinate with the Services and combatant commands to explore, demonstrate, assess, refine, identify, and recommend to me the most promising joint concepts and capabilities. Joint experimentation will continue to provide the means for integrating the joint warfighters' critical issues into the Services' concept development and experimentation programs. This process will allow Service initiatives to be conducted in a joint environment thereby ensuring that things not only work, but work well together. In providing the Services a common operational and technical architecture, joint experimentation will convert redundancy into robustness.

84. Senator WARNER. Secretary Rumsfeld and General Shelton, this committee has vigorously promoted the need for robust joint experimentation to develop new force concepts and capabilities. Do you anticipate increased and sustained funding for joint experimentation?

Secretary RUMSFELD. We have increased the resources allocated for joint experimentation in the fiscal year 2002 budget, and they appear adequate to support our agenda as it now stands. In particular, the Department very much appreciates this committee's recognition of our joint experimentation initiatives and support for alleviating funding shortfalls. I should note that experimentation is, to a great extent, a "voyage of discovery." Indeed, we pursue our experimentation agenda in anticipation of revealing new information about our capabilities. In this regard, there may be a requirement for additional funds to support joint experimentation beyond annually programmed levels should important opportunities arise.

General SHELTON. Joint experimentation will be reviewed as part of the Department's fiscal year 2003 program and budget building process. Its proper resourcing should be reflected in the President's fiscal year 2003 budget submission to Congress.

85. Senator WARNER. Secretary Rumsfeld and General Shelton, in your view, will force levels accommodate substantive experimentation without placing additional burdens on our force?

Secretary RUMSFELD. We must be ever watchful when we task our forces to conduct exercises, training, and participate in experimentation venues. A fundamental goal of this administration is to better manage the operational tempo of our military forces. In achieving this goal, and in concert with the many associated ongoing activities, we must coordinate and plan our experimentation initiatives early, effectively manage these scheduled events, and when required, be prepared to remove less important events from our calendar. At the joint level, I believe we are doing just that. The Commander in Chief of United States Joint Forces Command, the Department's executive agent for joint concept development and experimentation, has established a series of experiments that achieves this balance. Starting in 2000, and continuing in the even-numbered years, the Department will be conducting scheduled major joint field experiments that we have coined "Millennium Challenge" and "Olympic Challenge." Supporting these major field experiments is a series of concept refinement experiments collectively known as "Unified Vision" events. These initiatives, scheduled in the odd-numbered years, are primarily modeling and simulation events which, by design, should have minimal impact on our forces. So, in general, I believe that our initiatives to date do not unnecessarily burden our operational forces.

General SHELTON. In executing joint experimentation, each of the Services has placed special emphasis on reducing the burden on our forces through substantial force scheduling and planning efforts.

To accomplish this, we do everything possible to ensure experiments use units scheduled well in advance and with minimum required deployed and training time devoted to learning new systems and procedures to be used in the experiments. In most instances, participating units operate from home station or from familiar training ranges. These initiatives keep the burdens placed on our forces to minimum levels while still enabling a robust experimentation effort.

An ancillary benefit of experimentation is the possibility of training benefits for participating units. Although secondary to experimental objectives, commanders typically seize training opportunities available in experiment participation where the opportunities do not detract from the goals of the experiment.

FUTURE SHIP LEAP-AHEAD AND TRANSFORMATION TECHNOLOGIES

86. Senator WARNER. Secretary Rumsfeld, press reports have indicated that the recommendations coming from the various review panels focus on the importance of air power at the expense of naval contributions to future operational concepts. Those reports have specifically stated that the Navy's DD-21 future destroyer and the CVN-X future aircraft carrier are not included in key review panels' recommendations. What is your personal view on the role of these Navy ships in our future military strategy?

Secretary RUMSFELD. I established a number of review panels to provide ideas, suggest alternatives, and provide proposals for consideration in the strategy review. Their conclusions do not reflect my thinking, or that of the issue teams now conducting analysis and making recommendations in the QDR. We have yet to make decisions on these matters. I hope to come before the committee and discuss my views on these matters at a later date.

87. Senator WARNER. Secretary Rumsfeld and General Shelton, there have been a number of studies, working groups, and think tank discussions over the years regarding the operational flexibility, vulnerability, and versatility of large deck aircraft carriers. The discussions and, more importantly, the actual employment by the warfighting CINCs have reached the same conclusion: the carriers are indispensable military assets because they send a clear message of U.S. resolve by their mere presence and can strike out at an enemy rapidly and continually. The big deck versus small deck carrier and the U.S.-based strike versus carrier issues have been evaluated numerous times, with the large deck carrier consistently emerging as the Nation's choice.

What is your opinion of the future role of big deck carriers?

Secretary RUMSFELD. I have yet to make any decisions regarding Navy carriers in the ongoing Quadrennial Defense Review process. I hope to come before the committee to discuss my views on the future role of these Navy ships in our defense strategy at a later date.

General SHELTON. I recognize and acknowledge the critical role that aircraft carriers play in our defense posture. These ships are unmatched in the ability to provide a forward presence, respond rapidly to crises, and provide sustained, lethal fire-power when called upon. Our current fleet of 12 large deck carriers will form the core of naval aviation well into this century and we are making the investment to develop a new large deck, nuclear powered carrier design to carry us through this new century.

Large deck nuclear powered carriers are among the most flexible and survivable ships in the fleet. Carrier battle groups possess layers of defense against all threats today and for the foreseeable future. They have unmatched mobility, providing an area of uncertainty of over 700 square miles in just 30 minutes, which makes them a extraordinarily difficult target to detect, track, and engage.

Large deck carriers will continue to:

- provide a versatile, flexible forward presence as a deterrent to hostile actions, and be a host for a broad spectrum of military, diplomatic, and humanitarian missions;
- respond rapidly to crises around the world; and
- provide sustained, dominant strike and multi-mission aviation support to operations from the sea.

As the Armed Forces transform and improve their interoperability, the aircraft carrier will continue to be the enabling force and critical node for joint operations in the early stages of a major crisis.

MISSILE DEFENSE/RESPONSE

88. Senator WARNER. Secretary Rumsfeld, many critics have suggested that if the U.S. proceeds with plans to deploy missile defenses for the U.S. and its allies that a new arms race may ensue: China and Russia could respond with an expansion of offensive forces, to which other nations, such as India and Pakistan, might respond by building up their offensive arms. It is interesting to note, however, that the largest build-up of offensive nuclear weapons actually took place after the sign-

ing of the ABM Treaty. As we continue to debate this issue, rogue nations continue to develop missile capabilities in the absence of U.S. missile defenses.

What connection, if any, do you see between deployment of U.S. missile defenses and the growth of offensive forces by other nations?

Secretary RUMSFELD. You are correct—rogue nations continue to develop missile capabilities in the absence of U.S. missile defenses. Many other nations are also developing ballistic missiles.

Missile defenses are a response to proliferation; they are not the cause of it. U.S. and allied vulnerability to ballistic missile attack serves as a strong incentive to proliferation. Missile defenses will help dissuade potentially adversarial nations from investing in ballistic missiles by devaluing their political and military utility.

I do not believe the introduction of missile defenses will stimulate a new arms race with nations such as Russia and China. The U.S. intends to deploy limited defenses against handfuls of longer-range missiles, not against hundreds of missiles or warheads. Those limited defenses will not threaten Russia's strategic deterrent, even under significantly reduced levels of forces. I believe China is likely to continue its nuclear modernization program regardless of what we do in the area of missile defense, as its modernization program started long before U.S. missile defense efforts. Nonetheless, we will continue to make clear to China (and others) that our limited missile defenses are intended to protect the U.S., our deployed forces, and our allies and our friends only from those who would seek to threaten or coerce us.

BALLISTIC MISSILE THREAT

89. Senator WARNER. Secretary Rumsfeld, the Commission to Assess the Ballistic Missile Threat to the United States, chaired by Secretary Rumsfeld, unanimously concluded in 1998 that “the threat to the U.S. posed by these emerging capabilities is broader, more mature, and evolving more rapidly than has been reported in estimates and reports by the Intelligence Community.” It also concluded that the warning time that our Nation might have for these emerging threats is decreasing.

Do you believe that these conclusions have been corroborated by the events of the last several years?

Secretary RUMSFELD. Yes. The threat to the United States posed by emerging ballistic missile capabilities is broader and more mature, and is evolving more rapidly than previously estimated by the intelligence community.

90. Senator WARNER. Secretary Rumsfeld, deployment of missile defenses will require modification or withdrawal from the ABM Treaty. Critics of missile defense argue that undermining the treaty will lead to the demise of offensive arms control agreements. At the same time, the President has announced his intention to reduce U.S. nuclear weapons unilaterally to the lowest level consistent with U.S. security and to work toward a new strategic framework that relies on both offensive and defensive forces.

What role will arms control and missile defense play in the administration’s new military strategy?

Secretary RUMSFELD. President Bush has made clear that we need a comprehensive strategy to counter the complex and dangerous challenge of proliferation of weapons of mass destruction and their means of delivery. This strategy must include strengthening nonproliferation measures (prevention), more robust counter-proliferation capabilities (protection), and a new concept for deterring contemporary threats that includes both offenses and defenses. Thus, missile defense is a key part of our broader strategy for dealing with proliferation, an added dimension of contemporary deterrence, and one element of a strategy to dissuade and deter countries from acquiring or using weapons of mass destruction and ballistic missiles.

With respect to arms control, the administration intends to construct a new strategic framework that reflects the realities of the post-Cold War world and not the Cold War adversarial relationship premised on distrust and mutual vulnerability. The exact nature of the new framework and whether it includes agreements, parallel or unilateral actions, or a combination thereof, is still something that is being developed.

SPACE POLICY

91. Senator WARNER. Secretary Rumsfeld, currently, space is widely viewed as “militarized” (i.e. space assets can enhance military capabilities) but not “weaponized.” It is also widely recognized that adversaries can use land, sea, or air weapons to attack space assets, either on the ground (such as launch facilities or

satellite control facilities) or in space. The Space Commission recommended that the United States “develop, deploy, and maintain the means to deter attack on and to defend vulnerable space capabilities,” including “defense in space” and “power projection in, from and through space.” Some Commission critics have suggested that Commission recommendations will lead to the weaponization of space.

In your view, will a U.S. strategy that places an increased priority on space and the protection of U.S. space capabilities lead to the deployment of weapons in space?

Secretary RUMSFELD. The security and well-being of the United States, our allies, and friends depend on our ability to operate in space. Our increasing dependence and the vulnerability it creates, however, require us to have the means to deter and dissuade threats to our national interests in space. The United States must have the capability to prevent potential adversaries from obtaining an asymmetric advantage by countering our space systems. The 1996 National Space Policy directs that “consistent with treaty obligations, the United States will develop, operate and maintain space control capabilities to ensure freedom of action in space and, if directed, deny such freedom of action to adversaries. These capabilities may also be enhanced by diplomatic, legal or military measures to preclude an adversary’s hostile use of space systems and services.” A broad range of military capabilities will be required to implement this policy.

92. Senator WARNER. Secretary Rumsfeld, would the deployment of weapons in space change the strategic environment in any fundamental way?

Secretary RUMSFELD. The security and well-being of the United States, our allies, and friends depend on our ability to operate in space. Our increasing dependence and the vulnerability it creates, however, require us to have the means to deter and dissuade threats to our national interests in space. Providing the defense capabilities necessary to deter attack upon and defend our interests in space thus could help to make the strategic environment more stable.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

NATIONAL SECURITY STRATEGY

93. Senator THURMOND. Secretary Rumsfeld, what National Security Strategy will your defense strategy support?

Secretary RUMSFELD. I have been consulting closely with the White House as we have been developing our defense strategy. The new defense strategy will be consistent with, and supportive of, the new National Security Strategy.

INTEROPERABILITY

94. Senator THURMOND. Secretary Rumsfeld, your review is focused on the improvement of our forces and the operations of the Department of Defense. Although these are essential, I am concerned that we are neglecting key lessons learned in the Balkan operations regarding interoperability with our allies. How does your strategic review address the issue of interoperability with our allies?

Secretary RUMSFELD. We seek to enhance interoperability with our allies. Our aim is to ensure the maximum coordination and cooperation in peacetime for effective coalition operations. The review will address this critical issue.

FORCE STRUCTURE

95. Senator THURMOND. Secretary Rumsfeld, if the “win and hold” strategy becomes the Nation’s defense strategy, what do you anticipate will be the impact on the size of our force structure?

Secretary RUMSFELD. We have not yet decided on a new strategy or force-sizing construct. We are exploring alternatives for force-sizing that reflect a broader range of contingencies than two MTWs. The implications of these options for force structure are under discussion. At this point in the review, I am not yet prepared to make a final recommendation.

ROLE OF THE RESERVE COMPONENTS

96. Senator THURMOND. Secretary Rumsfeld, under your most likely defense strategy, what warfighting role is envisioned for the Reserve components?

Secretary RUMSFELD. The implications for the Reserve components of the new defense strategy currently under consideration are not yet determined. I expect, however, that the Reserve components will continue to play an important role in support of our defense strategy.

DEPARTMENTAL REORGANIZATION

97. Senator THURMOND. Secretary Rumsfeld, an article in the June 2001 *Proceedings* insinuated that many of the Department's problems stem from its organizational structure. To quote the article: "We have created little communications fiefdoms, logistic fiefdoms, intelligence fiefdoms, each with their own agenda and with decision makers who out rank the warfighters, and each little fiefdom creates its own political constituency, its own congressional sponsors, its own cadre of cottage industries, and its own soon-to-be-obsolete structures." How do you plan to address this significant issue?

Secretary RUMSFELD. The *Proceedings* article, "DOD's Tail is Wagging the Dog," states that defense agencies have easier access to the Secretary and a greater ability to influence defense spending. This—the article alleges—comes at the expense of the Services who are more sheltered from key decision-makers and have to operate within a budget topline. There is some validity in the article. Under Secretaries do take their pleas directly to the Comptroller for consideration during the budgeting process. Sometimes these requirements do require a Service offset, but frequently the Comptroller has unobligated funds from delinquent programs and fact-of-life changes. The priorities of the individual Services must be balanced against the overarching priorities of the Department of Defense as a whole. During the program and budget review, a fine-tuning of priorities ensures the needs of all are met through responsible resource allocation.

INFRASTRUCTURE

98. Senator THURMOND. Secretary Rumsfeld, what priority did the defense strategy review place on the adequacy of the Department's military installations and what were the key recommendations?

Secretary RUMSFELD. The review placed a high priority on the adequacy of installations. The importance of installations is reflected in the amended budget, which includes a substantial increase in resources for installations and facilities. Key recommendations include:

1. Installations must be adequately funded. Our installations have been underfunded for many years. We have been living off the substantial investments of the 1970s and the 1980s. Today shortfalls exist in a number of vital areas.

2. Facilities must be sustained. We have not sustained facilities (including housing) adequately in the past, producing serious readiness deficiencies that will take years to overcome. Without proper sustainment, facilities cannot perform well over their expected life—and the result is poor readiness, poor workplaces, and poor quality of life. We have fixed the worst sustainment shortfalls in fiscal year 2002, though we are still short by about \$750 million. We need to address this in fiscal year 2003.

3. Facilities must be modernized. We need to plan for periodic recapitalization of installations. Obsolescence effects even well-sustained facilities—they need to be adapted to new technologies, new weapon systems, and new standards—and some facilities simply wear out. Our goal is to recapitalize at a reasonable, yet conservative average rate of once every 67 years. In fiscal year 2002 we have cut the rate nearly in half, from almost 200 to 100 years. To get to 67 years in fiscal year 2002 would have required about \$1.9 billion more for additional O&M-funded projects. We plan to do better in the fiscal year 2003 budget.

4. Facilities must be restored. We have a backlog of restoration requirements caused by insufficient sustainment and inadequate recapitalization funding in the past. Sixty-nine percent of our readiness ratings are C-3 or C-4—which means these facilities are not currently capable of adequate support to assigned missions. Proper sustainment and normal recapitalization schedules will solve this over the very long term in order to achieve our goal of 67 years. However, in the short term we need to accelerate the restoration of our military readiness through rapid improvement of these C-3 and C-4 ratings. The amended budget provides \$2 billion as an emergency down payment, but we still have a long way to go.

5. Installations must be streamlined and reconfigured. Changes over the last 10 years have left a mismatch between installations and forces. We have too much capacity at some locations and pockets of insufficient capacity at others. We propose

to address this mismatch with an efficient facilities initiative and are extending our successful facilities demolition program.

FUTURE FORCES

99. Senator THURMOND. General Shelton, if I understand the Secretary's views on the proposed make-up of our Armed Forces, they will be a smaller, more mobile force that employs the latest communications technologies together with long-range bombers and precision weaponry.

Under this scenario what roles do you see for our heavy armor formations?

General SHELTON. As a part of the Office of the Secretary of Defense's Quadrennial Defense Review, the current and future roles of various parts of our force structure will be fully examined in light of changes to U.S. defense strategy, future threat assessments, and any transformation of our forces. Our heavy armor formations will be part of this review.

GEOGRAPHIC FORCE FOCUS

100. Senator THURMOND. General Shelton, does the new defense strategy suggest a focus of our military efforts toward Asia?

General SHELTON. The new defense strategy will emphasize that we will maintain our global commitments to our allies throughout the world. The security environment may dictate that our focus shift from one region to another because of the dynamic security environment. The defense strategy will not imply that we will abandon our commitments to our allies around the world. As mentioned previously, the new defense strategy is not finalized, so it is premature to be any more specific at this time.

101. Senator THURMOND. General Shelton, what will be the greatest challenges to support this new focus?

General SHELTON. The United States has maintained a long-lasting focus on Asia. We have many political and economic ties as well as military friends and allies within the region. Whether our focus in Asia changes or not, the greatest military challenges will be in the areas of strategic lift and basing rights.

VIEQUES

102. Senator THURMOND. General Shelton, I want to join my colleagues in expressing my disappointment regarding the decision to cease operations on the Vieques Island range. We had been told repeatedly that Vieques is a one-of-a-kind facility that was critical to the readiness of our deployed forces. Yet almost overnight an issue that was thoughtfully considered and debated is reversed without a thought on its implication on the training or more important on the lives of our sailors or marines.

Were you consulted on this decision before it was leaked to the press? If so, did you reverse your prior position on the critical need for the ranges on Vieques?

General SHELTON. While I was in on early discussions regarding Vieques, I was not consulted about the Navy's final decision. Training is a title 10 responsibility and the Secretary of the Navy made the final call himself.

QUESTIONS SUBMITTED BY SENATOR BOB SMITH

PRC MILITARY-TO-MILITARY CONTACTS

103. Senator SMITH. Secretary Rumsfeld, I was pleased when I heard that the Department intended to suspend military-to-military relations with China in the wake of the EP-3 seizure and illegal holding of the American crew—and disappointed when the suspension instead became a "case-by-case" review of exchanges.

Since the Peoples' Liberation Army (PLA) refused to return phone calls from former Admiral Prueher, then U.S. Ambassador to Beijing, and a major advocate for military-to-military contacts, when the crisis erupted, can you comment on how these exchanges have helped build bridges with the PLA?

Secretary RUMSFELD. The communication problems following the EP-3 incident reflect China's poor crisis management capability. When the collision occurred, the senior Chinese leadership was attending a tree-planting ceremony outside Beijing. Ambassador Prueher, former U.S. Ambassador to China, placed several telephone

calls to the Ministry of Foreign Affairs—his appropriate counterparts. What people were available to talk were waiting for the senior leadership to meet and decide what to do. The Chinese have told us that they are working to improve their ability to manage crises such as this—clearly they have a lot of work to do.

With respect to communications and our military-to-military program, the Department's program for military-to-military relations with China is under review. As we work through this review we will be looking for ways to improve the program and ensure that it will support our overall policy of seeking a constructive relationship with China. An important area of concern for us in this regard will be to develop durable channels of communication to avoid misperceptions and miscalculations that could lead to unwanted consequences.

104. Senator SMITH. Secretary Rumsfeld, do you think it might be more helpful, rather than briefing the Chinese about joint warfighting, that the PLA be exposed to the same type of schooling that foreign officers now receive at Fort Benning—i.e. human rights, peacekeeping, codes of conduct for soldiers, the role of the military in a democratic society?

Secretary RUMSFELD. Yes. In fact, we are already doing this. Section 1201 of the Fiscal Year 2000 National Defense Authorization Act prohibits "inappropriate exposure" of U.S. operational capabilities and technologies to Chinese visitors. The Department of Defense strictly complies with the requirements of this provision in our military-to-military engagement with the PRC.

A number of programs organized and executed at Pacific Command highlight codes of conduct, the rule of law, and civilian leadership of the military. Many of U.S. Pacific Command's multilateral programs, which include the PLA, address other important, but non-sensitive issues such as military law, humanitarian assistance, and disaster relief. The programs at the Asia-Pacific Center for Security Studies also include soldiers' values and role in a democracy, and rule of law themes.

105. Senator SMITH. Secretary Rumsfeld, wouldn't this be more appropriate if we seek to transform China into a democratic society which respects civil rights?

Secretary RUMSFELD. Our military-to-military relations with China support the overall U.S. policy which seeks a constructive relationship with China. We encourage PLA participation in DOD programs that feature the rule of law, humanitarian assistance, the role of the military in a democratic society, and other non-sensitive issues, as well as other high-level visits and confidence building measures, as they expose our Chinese counterparts to U.S. values and ideals while at the same time allowing us to gain insights on their institutions and views, and access to their sites and facilities.

ELECTROMAGNETIC PULSE WARHEADS

106. Senator SMITH. Secretary Rumsfeld, I want to ask you about electromagnetic pulse (EMP) warheads on Chinese missiles. This particular threat has not received due attention in terms of the Chinese military's ability to "coerce" Taiwan, Japan (and other U.S. allies coming into range of such weapons), and possibly intimidate vulnerable U.S. forces/assets in the Pacific. Most views of the threat from the Chinese missile build-up opposite Taiwan are limited to old "Cold War" thinking, i.e. traditional use of conventional ballistic missiles. The other Taiwan-threat scenario is a "blockade" by China. These outdated scenarios tend to drive our view of the weapons Taiwan needs, and in my opinion, provide a distorted view of the time frame within which the Chinese military build-up can actually become a threat to Taiwan and U.S. interests in the region. Chinese deployment/use of non-nuclear EMP warheads vs. Taiwan would be more devastating than a cross-channel conventional ballistic barrage, an amphibious assault, or an economic blockade. Because there would be little or no loss of human life, or visible destruction of physical assets, it may be a more tempting "bolt-out-of-the-blue" scenario that the PLA would use to immobilize Taiwan. The growing technical cooperation between Russia and China can only aggravate this threat situation.

Would you care to comment on this?

Secretary RUMSFELD. I am aware of the discussion in progress in the open literature concerning China's interest in developing radio-frequency weapons (RFW), to include non-nuclear EMP warheads on Chinese missiles. Ballistic missiles armed with conventional or WMD warheads currently pose a significant threat to both our allies and U.S. forces in a variety of regional scenarios. Development of an EMP warhead for use on ballistic missiles with the required accuracy would certainly present an adversary with greater capability and increased options, thus complicat-

ing the threat scenario that U.S. forces and allies must deal with. It is my opinion, however, that current technology does not support the immediate employment of RFW weapons in a scenario like the one outlined in your question. The QDR is assessing threats posed from a broad range of current and potential threat capabilities (including ballistic missiles) and our ability (including missile defense) to adequately address these threats. You also may be aware that a special DOD commission to evaluate the threat from EMP weapons is being formed as well.

RUSSIAN-CHINESE MILITARY COOPERATION

107. Senator SMITH. Secretary Rumsfeld, there was an article in *Jane's Defence Weekly* which said that China's ongoing satellite effort is focused on "co-orbital space weapons" and a "terrestrial laser" to be used for blinding satellite optics. The article mentions that China is benefiting from the transfer of Cold War-era technology from Russia.

Can you comment on Russo-China military cooperation, particularly as it applies to military space application?

Secretary RUMSFELD. Since 1985, China has signed cooperative agreements and established long-term cooperative relations with a dozen countries—including France, Germany, Italy, Japan, Russia, Ukraine, the United Kingdom, and the United States—with the goal of enhancing its space programs and technology base. Chinese space cooperation with Russia is the most extensive and includes the exchange of technology, cooperative initiatives, and training of personnel. Major areas of dual-use space cooperation include the fledgling Chinese manned space effort, satellite launch vehicle engines, and a potential future effort with the GLONASS navigational satellite system. More troubling is the wide-ranging technology cooperation in areas that are directly applicable to China's growing military space and counterspace efforts. Examples of technology cooperation include satellite communications, remote sensing, microsatellites, and laser and other high-technology weapons.

SUBMARINES AND AEGIS SALES TO TAIWAN

108. Senator SMITH. Secretary Rumsfeld, in yesterday's *Early Bird* there was an article that addressed a possible sale of Russian diesel submarine technology to Taiwan. The U.S. said it would sell diesel subs to Taiwan but was rebuffed by the Germans and Dutch on the kits needed to build them here.

Should we revisit the potential sale of the Aegis destroyer to Taiwan since it appears that Taiwan will no longer require our support in the acquisition of the diesel electric submarines?

Secretary RUMSFELD. We are continuing to examine a range of options to assist Taiwan in its acquisition of diesel electric submarines as one component of an integrated antisubmarine warfare architecture. At the same time, we are continuing to develop a viable approach to enhancing Taiwan's air defense system, to include the potential release of Aegis-equipped destroyers.

AFGHANISTAN

109. Senator SMITH. Secretary Rumsfeld, our counter-terrorism policy is constrained by an old (and I believe outdated) Executive Order which impedes our ability to retaliate against known terrorists. We are being forced to spend a small fortune—for force protection, for security upgrades—to defend against terrorists attacks. Aside from the fact that using the military as a tool for diplomacy in Yemen was highly dubious, last year's U.S.S. *Cole* disaster shows that despite large increases in the counter-terrorism budget, we remain vulnerable. There is a video in circulation—that appears to tie Osama bin Laden to the attack on the U.S.S. *Cole*—and in it there is footage of Osama bin Laden reciting a poem which commemorates the attack on the U.S.S. *Cole*.

How can we be more proactive in our counter-terrorism policy and less reactive?

Secretary RUMSFELD. The Department of Defense and other Federal agencies have undertaken a significant, integrated effort to develop effective policies on counter-terrorism and establish a variety of mechanisms that enable the United States to preempt and deter a wide range of terrorist threats against American citizens and U.S. interests around the world. Unfortunately, some terrorist incidents succeed in accomplishing their objective. However, even under those circumstances, the United States has been successful in ensuring that terrorists are brought to justice.

VIEQUES

110. Senator SMITH. General Shelton, can you defend a continued presence on mainland Puerto Rico in the wake of a halt to training exercises on Vieques?

General SHELTON. Puerto Rico's Naval Station Roosevelt Roads architecture and structure have been built up over the years to support training in the Puerto Rico operating area. Without that training, coupled with the need to effectively use tight resources, whether the Navy will maintain a presence on mainland Puerto Rico and to what degree is a question that will require careful examination. The Chief of Naval Operations has stated that the Navy will conduct this examination during the course of resource decision-making.

111. Senator SMITH. Secretary Rumsfeld, can you promise me that you will give serious consideration to closing Fort Buchanan and Naval Station Roosevelt Roads if the only reason they exist is to support training exercises on Vieques?

Secretary RUMSFELD. Should Congress authorize an Efficient Facilities Initiative round to rationalize our base infrastructure, the Department will evaluate all bases on an equal footing. During this analysis process, the Department will evaluate Fort Buchanan and Naval Station Roosevelt Roads against a common set of criteria, primary among which will be military necessity, and make its recommendations at that time. Serious considerations would be given to all factors that impact both operational and physical capacity. However, it should be noted that at this time both Fort Buchanan and Naval Station Roosevelt Roads support missions other than the training exercises on Vieques.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

SPECTRUM ACCESS

112. Senator INHOFE. Secretary Rumsfeld, is the 1.7 GHz band, or access to a suitable alternative, important to DOD?

Secretary RUMSFELD. DOD access to the 1.7 GHz band or a suitable alternative is vital to national security. The DOD operates thousands of pieces of equipment of over 100 different system types in the 1.7 GHz band. The band is currently used for satellite control, tactical radio relay, aircrew combat training, control of precision guided munitions, and many other important functions. Loss of access to the band without provision of truly comparable spectrum, or without respect for the transition timelines we have established, would result in mission failure and increased casualties in future operations as well as loss of critical intelligence information. Suitable alternative spectrum has not been identified by U.S. spectrum regulatory authorities for most of the functions resident in this band. Furthermore, the Department's ability to meet our growing spectrum requirements in the future will be compromised if the band is reallocated.

113. Senator INHOFE. Secretary Rumsfeld, if members of this committee once again work to protect DOD access to spectrum, including the 1.7GHz band, how can we be sure that the Department will not undermine our position like it did on Vieques?

Secretary RUMSFELD. The DOD is very appreciative of the committee's support on past issues, including protection against spectrum encroachment. We will not agree to any solution for meeting commercial spectrum needs that compromises national security capabilities, and we ask for your continued support to protect those capabilities. It is especially important to preserve the legislative requirements that DOD be provided comparable spectrum and adequate financial compensation in the event of any reallocation of the band.

114. Senator INHOFE. Secretary Rumsfeld, the commercial Global Positioning System (GPS) users, not the DOD, have been strong advocates for protecting the GPS L1 (1.5 GHz) and the L2 (1.2 GHz) bands from unlicensed use by commercial proponents of ultra-wide band (UWB) usage for wireless communications. It is well known in the scientific community that UWB increases the spectrum noise floor and thereby interferes with the performance of GPS.

Why has the DOD taken a passive position on this important military spectrum issue?

Secretary RUMSFELD. The DOD has not taken a passive position on this issue. The Chairman of the Joint Chiefs of Staff and other senior officers have testified to the importance of the 1.7 GHz band. A flag-level spokesman for the Department has visited scores of members in the House and has briefed key staff members in the

House and Senate. We are engaged on nearly a daily basis with the National Security Council and the Department of Commerce on this issue. Department spokesmen have also presented the DOD position in the media and in industry forums. Partly as a result of the success of these efforts, the proponents of reallocating the 1.7 GHz band have recognized that they cannot get a favorable decision by the planned July decision date and have asked for a deferral of the decision.

QUESTIONS SUBMITTED BY SENATOR RICK SANTORUM

VIEQUES

115. Senator SANTORUM. Secretary Rumsfeld, last year the Navy and the Commonwealth of Puerto Rico negotiated an agreement concerning the Navy's use of the Atlantic Fleet Weapons Training Facility (AFWTF) at Vieques, Puerto Rico. A deal negotiated by President Clinton and Governor Rossello allowed for the Navy to resume training exercises with inert ordnance in exchange for an infusion of \$40 million in economic development funds to the island and a promise for a referendum on a resumption of live fire training. If the residents of the island support a resumption of live fire testing, an additional \$50 million will be provided by the U.S. government. If the residents of the island oppose a resumption of live fire testing, the Navy must leave by 2003.

On Friday, Navy Secretary Gordon England announced that the Department of the Navy will seek legislative relief from the current requirement to conduct a referendum (set for November) on training at Vieques. In addition, Secretary England indicated the Navy is actively planning to discontinue training operations on the range on Vieques in May 2003. Finally, Secretary England announced that the Navy would set up a panel of experts to reinvigorate efforts to find effective alternatives to Vieques for training purposes.

What role did you play in this decision?

Secretary RUMSFELD. As Secretary of Defense, I am aware of a great number of matters of concern in the military Services, and the Vieques training range issue is no exception. The Secretary of the Navy made the decision and I support it.

116. Senator SANTORUM. General Shelton, what was your role in this decision?

General SHELTON. The Secretary of the Navy, Chief of Naval Operations, and Commandant of the Marine Corps are charged with ensuring that sailors and marines are trained and fully ready to meet any contingency. My expectation is that theater CINCs will receive fully mission-ready forces, and I am certain the Department of the Navy will accomplish this regardless of training locations.

I fully support the requirement to effectively train our men and women in uniform. I am very concerned that we have required training ranges, and the Secretary of the Navy and the Chief of Naval Operations have direct responsibility for training in the fleet.

117. Senator SANTORUM. Secretary Rumsfeld and General Shelton, what are possible alternatives or substitutes to integrated, combined arms training at AFWTF?

Secretary RUMSFELD. There are no current single alternatives to Vieques. Between now and May 2003, we are working to develop the best possible combination of methods and places to Vieques.

General SHELTON. Presently, there is currently no single alternative that replicates training on Vieques. The Secretary of the Navy has commissioned a panel of experts to produce a study to identify alternatives and technologies to replicate the level of training currently found at Vieques. The paramount issue is to ensure sailors and marines have the level of training necessary to respond to any contingency when forward deployed, and I have faith that the alternatives reached will ensure that level of readiness.

118. Senator SANTORUM. General Shelton, to what extent will the Navy rely on modeling and simulation for training if it leaves AFWTF?

General SHELTON. Naval aviation already uses modeling and simulators in all phases of aviation training, from the training command through the fleet. For example, Navy pilots, naval flight officers, air crewmen, and maintenance personnel receive training on simulators or trainers of various types. Simulators support certain types of training and contribute to maintaining readiness but are not a replacement for actual flying, firing of weapons, or maintaining an aircraft. While the readiness gains provided by simulation have not yet been fully assessed and quantified, clearly high fidelity, realistic simulators contribute to operational readiness.

Naval aviation continually strives to capitalize on new technologies in the simulation industry to enhance simulator or trainer capabilities. New simulating technologies offer the potential for increased capabilities in future simulators and trainers. As funding becomes available for new and improved simulators, training of Navy crews will be enhanced.

A balanced approach to use of simulation in aviation is imperative to gain the maximum benefit from the devices, while not sacrificing the critical hands-on training. Simulators cannot replace the actual flying and maintaining of systems. Naval aviation's approach to simulation is to capitalize on all available simulation capabilities to enhance training and readiness. This complimentary approach of simulation and actual flying will continue to produce the best-trained, most combat ready crews possible.

119. Senator SANTORUM. Secretary Rumsfeld or General Shelton, what is the cost associated with this decision to leave by 2003?

General SHELTON. The Navy has not yet determined the cost of closing and relocating the training capabilities at the Vieques range. An estimate of these costs should be available by March 2002, upon completion of the new Vieques options study directed by the Secretary of the Navy.

120. Senator SANTORUM. Secretary Rumsfeld or General Shelton, what are the implications for the Navy's use of Naval Station Roosevelt Roads?

Secretary RUMSFELD. Puerto Rico's Naval Station Roosevelt Roads architecture and structure has built up over the years principally to support training in the Puerto Rico operating area. Without that training, coupled with the need to effectively use tight fiscal resources, whether the Navy will maintain a presence on mainland Puerto Rico and to what degree is a question that will require careful examination. The Chief of Naval Operations has stated that the Navy will conduct this examination during the course of resource decision making.

General SHELTON. With respect to Naval Station Roosevelt Roads (NSRR), the mission of the base is to support training in the Puerto Rico operating area, to support U.S. Southern Command presence and outreach into South America, and support multi-agency drug interdiction efforts. Should training on the Vieques inner range cease, valuable training may continue to take place in the unencumbered sea and air space of the larger Puerto Rico operating area, in addition to continuation of the U.S. Southern Command and drug interdiction missions. The Chief of Naval Operations has stated that the Navy will conduct an examination to determine the extent of training to be performed in the Puerto Rico operating area and the required Navy support presence at NSRR.

121. Senator SANTORUM. General Shelton, how will this decision impact doctrine governing training for combat?

General SHELTON. Our goal in training for combat is simple and time tested; "Train the way we fight." This involves the use of live weapons by all combat platforms both singularly and in combined use. Conducting tactical operations with live weapons validates both training and tactics. We practice the concept of "magazine to target." This involves the stowage, breakout, and build-up of all types of weapons from a ship's magazines. These weapons are transferred throughout the ship and loaded onto the aircraft, ship's guns, or submarine torpedo tubes. Crews reach and acquire their objective and employ ordnance with precision while avoiding air and ground threats. The weapons' explosion on target validates the entire process.

As Marines integrate into amphibious assault operations, they too break out equipment and move ashore from the sea and by air. They interact with a hostile environment with supporting live fire. Live, realistic training not only validates tactics and operations of equipment in the field but also allows the foot soldier to experience live fire and to acclimatize to the noise and shock of combined arms support live weapons exploding near them.

As encroachment on ranges continues to grow in scope, our ability to conduct realistic training is hampered. Individually, encroachments can be managed with minimal impact. We have seen, however, that multiple encroachments have a cumulative effect on our ability to "train as we fight." When our ability to train is impaired, our sailors and marines assume increased risk when going in harm's way.

122. Senator SANTORUM. Secretary Rumsfeld or General Shelton, what are the implications of this announced action for other U.S. training ranges that are opposed by nearby residents?

General SHELTON. Independent of any outcome on Vieques, a variety of factors are encroaching upon the Defense Department's ability to realistically train in a manner

commensurate with how it may be called upon to fight in combat. Clearly, a careful balance must be struck between our stewardship responsibilities, responsibilities that extend to the environment and communities in which we operate, to the safety of our sailors and marines, and to the effectiveness of the Navy and Marine Corps.

The political and operational factors that led to the recent decision to discontinue training operations on the Vieques range are unique to that place and time. However, there may be those who would try to build a precedent out of the Vieques case. We are prepared for that possibility as we continue to balance our stewardship responsibilities.

LEAP AHEAD TECHNOLOGIES

123. Senator SANTORUM. Secretary Rumsfeld, the President expressed a desire to pursue "leap ahead" technologies and has been supportive of "skipping a generation" in the weapon system acquisition process. The ability to realize these goals will largely be driven by our investment in our Department of Defense science and technology program. These budget accounts support research on many of the key technologies that will be necessary for the Army to transition to its Objective Force, for the Air Force and Navy to utilize UCAVs, and for many of our chemical and biological agent protection/detection capabilities.

What do you believe is an appropriate level of investment in our 6.1, 6.2, and 6.3 budget accounts to support "leap ahead" technologies?

Secretary RUMSFELD. Determining a sufficient level of science and technology (S&T) investment is not a precise science, rather I believe it is a strategic decision. It has always been the Department's goal to fund S&T at a level adequate to ensure the technological superiority of our Armed Forces. A strong S&T program is required to provide options for responding to a full range of military challenges both today, and into the uncertain future. The Department's investment in S&T develops the technology foundation necessary for our modernization effort, and fosters the development of "leap ahead" technologies that produce revolutionary capabilities. DOD must continue to invest broadly in defense-relevant technologies because it is not possible to predict in which areas the next breakthroughs will occur. It is the Department's objective to grow the S&T budget to be 3 percent of the total DOD top-line budget as soon as possible. This goal is consistent with the industrial model of investing 3 percent of a corporation's budget in research. However, we also need to ensure that the funding levels of the various components in the Department's total budget are balanced based on our assessment of the most urgent requirements at any given time.

BASIC RESEARCH

124. Senator SANTORUM. Secretary Rumsfeld, how much of a priority do you accord Department of Defense basic research?

Secretary RUMSFELD. The DOD gives basic research a high priority. Basic research supplies new knowledge and understanding in science and engineering fields that underpin national defense. It thereby stimulates the development of new technologies, creating opportunities to enhance capabilities of future military systems and to make them easier and less expensive to manufacture, operate, and maintain. Due in no small part to DOD's prior investments in basic research, we today have the Global Positioning System, stealth, night vision, precision strike, and other military capabilities that help give us a decisive advantage over potential adversaries. As part of our legacy to our successors, it is incumbent on us to continue to invest in basic research to help meet future defense needs.

125. Senator SANTORUM. Secretary Rumsfeld, can you discuss the relationship between basic research funding, American universities, and our next generation of engineers and scientists?

Secretary RUMSFELD. The DOD Basic Research program relies greatly on universities as performers (other performers include DOD and other Federal laboratories, industry, and nonprofit institutions other than universities). Basic research is a core competency of the universities and they perform the largest share of the program, competitively receiving about 55 percent of the total funding. Investment in university-based research pays additional dividends through the associated training of scientists and engineers—graduate students employed as research assistants on DOD-supported projects receive training in research performance, satisfying requirements toward their degrees as an integral part of the work they perform on the projects. The basic research program also supports the National Defense Science and Engi-

neering Graduate Fellowship Program, a way of honoring and encouraging the best and brightest students in defense-critical fields. Thus, university participation in the DOD Basic Research program supplies both high-quality defense research and training to help ensure the future availability of science and engineering talent for defense needs.

JOINT TRANSFORMATION AND EXPERIMENTATION

126. Senator SANTORUM. General Shelton, as each of the Service's addresses transformation in its own context, have you seen any evidence of a joint transformation effort?

General SHELTON. We are making great strides in joint transformation. Each Service's strategic vision and doctrine are designed to complement joint vision and doctrine while leveraging individual Service core competencies. Consequently, as each Service replaces its Cold War legacy systems with future systems, it does so in a joint context, with the focus on providing the best possible capability to the joint warfighter. Combined with robust joint experimentation and joint exercises, individual Service transformation contributes greatly to the expanding joint transformation effort.

127. Senator SANTORUM. General Shelton, do you view the joint experimentation arena as an appropriate exercise of service transformation efforts?

General SHELTON. Joint experimentation is an outstanding arena to evaluate and assess Service transformation efforts. The purpose of joint experimentation is to explore, demonstrate, and evaluate the most promising new joint warfighting concepts. Experimentation yields quantitative and qualitative recommendations for change that will drive the Armed Forces through transformation.

Each of the Services' ongoing transformation efforts will benefit joint transformation, and each Service routinely conducts experimentation to ensure its changes will meet joint warfighting needs.

All Services have participated in the planning of our next joint field experiment, Millennium Challenge 02, which will be conducted during July and August 2002. Millennium Challenge 02 is designed to examine some key operational capabilities of the Services and will provide the Services a joint operational-level context in which they can develop future core competencies. All Services are establishing their own specific experimentation objectives that complement the overall objectives of the joint experiment and leverage the joint context of the experiment.

INFORMATION OPERATIONS CAPABILITIES

128. Senator SANTORUM. General Shelton, a consistent theme in the defense reviews is that enabling information technology and information operations will play a key role in the formulation of national military strategy. What recommendations would you make regarding an information organization to support the CINCs?

General SHELTON. One of the key shortfalls in our ability to employ information operations capabilities is the difficulty of developing sufficiently detailed targeting data. Without the requisite targeting detail, commanders are severely limited in their ability to exercise or plan for the use of many information operations capabilities. Whereas the Joint Warfighting Analysis Center excels at conducting analysis in support of conventional military capabilities, no similar organization exists for "non-kinetic" capabilities such as computer network attack, electronic attack, or psychological operations. We are currently developing a proposal to establish new analysis centers, similar to the Joint Warfighting Analysis Center, to support employment of electronic and perception-based capabilities, respectively. Concurrently, we are exploring the advantages of establishing a new third organization that would serve to integrate the analysis efforts of the other three centers in support of kinetic, electronic, and perception-based capabilities. We are also looking at building a strategic psychological operations organization designed to provide timely advice to the CINCs as well as other U.S. government agencies on themes, foreign audiences, and appropriate media forums to effectively achieve U.S. national objectives. By expanding our analysis and strategic influence capabilities beyond those associated with physical strike weapons, we will greatly enhance our ability to employ information operations capabilities with confidence that they will achieve the desired effects.

INFORMATION WARFARE CAPABILITIES

129. Senator SANTORUM. General Shelton, would you recommend reorganizing the Services to include information warfare responsibilities?

General SHELTON. Each of the Services and U.S. Special Operations Command have already taken steps to integrate information operations and information warfare capabilities and responsibilities, consistent with their authority to organize, train, and equip their forces. While each has approached information operations from the standpoint of their individual requirements, all recognize that information operations and information warfare capabilities are critical for our national security. As our understanding of military operations in the information age evolves, so too will our structures and organizations.

PROTECTING INFORMATION TECHNOLOGY ASSETS

130. Senator SANTORUM. Secretary Rumsfeld, advances in information technology have led to many breakthroughs in American industrial, commercial, and military capabilities. At the same time, our reliance on these assets means that a disruption or failure of these systems (either accidental or malicious) could compromise America's ability to prevail in a conflict or military crisis.

What type of investments do you believe are necessary to safeguard or protect America's information technology assets and its access to this information?

Secretary RUMSFELD. For those assets not owned or operated by the Department of Defense, but essential to national security, there are investments required by both the Department and the information owner. If the Department is dependent upon the information service, we must take appropriate steps for its assurance—to ensure availability, integrity, authenticity and, where required, confidentiality.

The investment required by the private sector to safeguard their assets from disruptions or failures is substantial and in many ways similar to what the Department does to protect its systems. This is accomplished by implementing a layered defense, ensuring security is built into systems, and then monitoring those systems. The National Security Agency, in partnership with the National Institute for Standards and Technology, sponsors the National Information Assurance Partnership to promote the development and use of secure products. As this activity matures there will be a wider selection of proven security products available for use by both Government and the private sector to protect and safeguard information technology assets.

OFFENSIVE INFORMATION OPERATIONS

131. Senator SANTORUM. Secretary Rumsfeld, while there has been a great deal of discussion about threats to America's information technology assets, little has been said on America's ability to disrupt or cripple other countries' reliance on information technology.

Has the President or Pentagon articulated a policy with respect to America's ability to wage an offensive attack on the information assets of our enemies?

Secretary RUMSFELD. In support of the national military strategy, the Pentagon has articulated its policy with respect to America's ability to wage an offensive attack on the information assets of our enemies, in DOD Directive 3600.1 titled "Information Operations." This guidance is further delineated in Joint/Service doctrine(s) and plans.

PROCUREMENT PLANS

132. Senator SANTORUM. Secretary Rumsfeld and General Shelton, current procurement plans call for the purchase of 339 F-22 Raptors, 548 F/A-18E/F Super Hornets, and 2,852 Joint Strike Fighters (JSF). Cost estimates are that procurement of these aircraft in these quantities will cost approximately \$340 billion (in 2000 dollars). In order to procure these platforms under the current plan, a significant increase in the defense top line or a major restructuring of procurement and/or R&D programs may be necessary.

Most "futurists" cite concerns with asymmetrical threats and the urbanization of future warfare and peacekeeping missions.

How should we view requirements for tactical aviation, the investment to field the next generation of aircraft, and our ability to deal with asymmetrical threats and urbanization?

How do the Services establish the quantities of tactical aircraft that are required to support the National Military Strategy?

Are they principally resource driven or are they developed in response to the threat?

Secretary RUMSFELD. The requirements process begins with the U.S. defense strategy and the National Military Strategy, which set the objectives for the military based on the priorities they outline and the anticipated threat. From this and the results of the Quadrennial Defense Review, the Secretary's Contingency Planning Guidance provides direction for the preparation of war plans reflecting projected force capabilities consistent with the national strategy and priorities. The CJCS Joint Strategic Capabilities Plan provides regional taskings and apportions resources to the CINCs based on military capabilities that result from completed program and budget actions. The Services' title 10 responsibilities include equipping their forces as best they can within their budget topline to meet these CINC requirements.

General SHELTON. The requirements process begins with the U.S. defense strategy and the National Military Strategy, which set the objectives for the military based on the priorities they outline and the anticipated threat. From this and the results of the Quadrennial Defense Review, the Secretary's Contingency Planning Guidance provides direction for the preparation of war plans, reflecting projected force capabilities consistent with the national strategy and priorities. The Services' title 10 responsibilities include equipping forces within their budget top line to meet CINC requirements.

In short, we look closely at what the Department needs to do to ensure the security of our Nation; at what people, aircraft, ships, and tanks we plan to have in the field; and from this analysis identify and prioritize the most pressing shortfalls. This analysis of what we have to do weighed against the people and equipment we have to do it with forms the basis of our prioritized requests, including tactical aircraft. While clearly the threat drives us to develop the solutions, the solutions are constrained by fiscal realities.

JOINT STRIKE FIGHTER

133. Senator SANTORUM. Secretary Rumsfeld and General Shelton, do you believe the JSF should be accelerated given concerns with technological maturity?

Secretary RUMSFELD and General SHELTON. The JSF technology is sufficiently mature to proceed with the program as currently scheduled. Accelerating the program would dramatically increase concurrency and risk. The JSF program has improved maturity and reduced the risk of all critical technology areas to an acceptable level in preparation for successful transition to engineering and manufacturing development (EMD) this fall. Prototype mission avionics hardware and software were developed and integrated in a series of laboratory and component bench tests. Demonstration of the JSF mission systems concepts culminated with integrated tests in the contractors' flying laboratories. These flying testbeds brought together sensors, C⁴I links, and prototype software to demonstrate an integrated sensor system in an open system architecture—an unprecedented capability. The technology maturation program and flying laboratory results meet or exceed expectations as well as providing a sound foundation of hardware/software development to successfully transition to EMD. But, acceleration of the program would, in my opinion, and this view is shared by the JSF Program Office, dramatically increase risk. If Service needs dictate, the Department would carefully review these requests before accepting any additional or unwarranted risk.

UNMANNED COMBAT AIR VEHICLES

134. Senator SANTORUM. Secretary Rumsfeld and General Shelton, where do unmanned combat air vehicles (UCAVs) fit within the concept of tactical aviation?

Secretary RUMSFELD and General SHELTON. We support the development of unmanned combat system technologies primarily because they have the potential to perform exceedingly high-risk missions that currently put our crews and soldiers into harm's way. Although not yet proven, unmanned combat systems may deliver these new capabilities at lower total system cost (acquisition, operations, and support). UCAVs offer great potential but are early in the development cycle. The joint Defense Advanced Research Projects Agency (DARPA)/Air Force UCAV program will demonstrate first flight this fall, while the DARPA/Navy UCAV program will follow by at least 2 years.

If UCAVs mature as expected, significant air-to-ground capability could be available by the end of this decade. Assuming UCAV performance and cost projections are correct, the quantity of manned tactical aircraft could be decreased. UCAV migration to other more demanding missions, including air-to-air, will require more sophisticated technology improvements in sensors, processing, maneuvering, targeting, and autonomous flight operations. However, these technologies are not likely to mature until well into the next decade.

JOINT COMMAND AND CONTROL SYSTEM

135. Senator SANTORUM. General Shelton, several of the strategy panels have reported that there is currently no truly joint command and control system, as each service has optimized its systems for itself. The effect, they claim, is that our joint operations are coordinated instead of integrated.

Do you agree with this assessment, and, if you do, what would you suggest as the best way to remedy the situation?

General SHELTON. The Global Command and Control System (GCCS) is the joint command and control system. It is an integrated, reliable, and secure system linking the National Command Authorities to the unified commands continuing down to the Joint Task Force and Service components. GCCS provides a robust capability to the joint warfighter and is an evolving system designed to grow to meet warfighter needs. There are, however, still many challenges ahead to achieve a seamless, agile command and control system capable of ensuring complete joint interoperability and the sharing of timely, tailored, and fused information sharing among interagency and multinational participants. To address these challenges, we have started a number of initiatives. For example, the Joint Requirements Oversight Council (JROC) has an ongoing study tasked to develop an operational concept, operational architecture, and implementation roadmap for Joint Task Force command and control for the future. This is the first step in developing a truly joint future command and control architecture. A concurrent effort is specifically looking at the technology barriers to a fully interoperable GCCS. Additionally, we have a number of promising joint command and control advanced concept technology demonstrations (ACTDs) in progress and an extensive joint experimentation process that will further enhance near-term joint command and control effectiveness.

ARMY INTERIM BRIGADE COMBAT TEAM

136. Senator SANTORUM. General Shelton, the Army's critical transformation path leads to the "objective force" that will provide a ground component rapid response capability. Until that capability is developed and fielded, however, the Army has designed the Interim Brigade Combat Team (IBCT) to bridge the capability gap between the objective force and its legacy forces.

Do you view the IBCT as transformational, and will it meet the Department's needs for the ground force's rapid response capability?

General SHELTON. The Interim Force is a transition force that fills the strategic near-term capability gap that exists today—one that seeks the Objective Force to the maximum extent feasible, but leverages today's state-of-the-art technology together with modernized legacy forces as a bridge to the future. The Army's Interim Force will be made up of five to eight deployable Brigade Combat Teams that will be trained, organized, and equipped to conduct small-scale contingency operations. The IBCTs will be equipped with new vehicles that are expected to make the teams more lethal, mobile, and survivable than current light forces while continuing to maintain the current light force's responsiveness and deployability capabilities. However, during a major conflict the Army does not expect the IBCTs to directly replace heavy combat units for all missions but does intend to use the units to perform a broad range of missions suitable to their capabilities and characteristics. The IBCTs would supplement the specialized capabilities of heavy units with their own specialized features and assets when available.

137. Senator SANTORUM. Secretary Rumsfeld, the current plan is for the Army to field six to eight IBCTs.

Do you believe this is the right number of brigades, and will the Department fully resource this number of brigades?

Secretary RUMSFELD. This issue is currently being examined carefully. Our ongoing strategy review and the Army's subsequent experimentation will play a substantial role in this analysis. While it is premature to say exactly how many of these brigades we will ultimately field, it is safe to say that we do need some of these

brigades to experiment with. In doing so, we will learn a great deal about what they give us operationally, particularly with respect to strategic mobility and networked fighting organizations sharing a common operational picture. In this regard, recent Army experiments at the National Training Center have shown us some genuinely promising results regarding networked warfighting that we are eager to see translated into the IBCTs.

QUESTIONS SUBMITTED BY SENATOR WAYNE ALLARD

MACEDONIA

138. Senator ALLARD. Secretary Rumsfeld, given the recent escalation of conflict in and around Macedonia, and talk of NATO intervention, can you explain what our national interests are in that region?

Secretary RUMSFELD. U.S. security interests in Europe are fundamental. The transatlantic partnership is crucial to ensuring global peace and prosperity. One of the key challenges facing the Alliance is integrating Southeastern Europe into the whole of Europe. We are committed to face this challenge together with our European allies and partners. The President of Macedonia has requested NATO to be a part of the peaceful solution to the conflict there. Both we and our European partners know that we must do all we can to help the Macedonian people avoid the same tragedy of violence and warfare that has afflicted so many of their neighbors in Southeast Europe. The U.S. plans to contribute to the NATO operation by providing important support capabilities. That said, the U.S. will continue to push for the countries of the region to solve their differences within their own civil institutions or with the aid of multinational civilian institutions.

INTELLIGENCE AND COMMUNICATIONS SHORTFALLS

139. Senator ALLARD. Secretary Rumsfeld, what are your most significant shortfalls in the intelligence and communications infrastructure?

Secretary RUMSFELD. In the intelligence domain, inadequate high demand/low density airborne collection platforms, signals intelligence (SIGINT), and lack of fully integrated ISR systems are the most pressing intelligence infrastructure shortfalls. In the near term, the Department is considering augmentation of the current RC-135 and EP-3 fleets, and accelerating the delivery of advanced capabilities such as the Global Hawk Unmanned Aerial Vehicle (UAV) and Aerial Common Sensor to close the collection gap. In the long term, we are examining emerging concepts such as the Multi-Mission Aircraft and the Advanced Airborne Command and Control to address the high demand low-density shortages.

Shortfalls in both our airborne and overhead SIGINT collectors, and their associated tasking, processing, exploitation, and dissemination infrastructures (TPED), are also significant. Modern technologies threaten to eclipse our ability to collect against new signals. We are pursuing modernization efforts for our airborne SIGINT assets through the joint SIGINT avionics family effort, and are working with the Director of Central Intelligence in support of the initiatives in the National Security Agency transformation.

Full integration of intelligence, surveillance, and reconnaissance systems is a key objective, and remains one of our greatest challenges. Our joint service Distributed Common Ground Systems (DCGS) architecture has made great progress, but much remains to be accomplished through integration of DCGS and national mission ground stations to meet the TPED requirements associated with our advanced tactical sensors and future overhead collectors.

In the communications arena, the goal is to provide our forces with the ability to connect to a ubiquitous information grid, requiring only the correct communications equipment with the correct security capabilities. The most significant shortfalls in meeting this goal are in satellite communications (SATCOM) and terrestrial communications.

SATCOM offers a unique capability for expeditionary forces by allowing reliable command and control connectivity from the National Command Authorities to the forces afield, independent of any infrastructure where forces are operating. Both spacecraft and connecting ground communications equipment procurements have lacked synchronization. These areas require improvement and are being scrutinized in the ongoing Quadrennial Defense Review.

System replacement is the near term issue, and DOD has begun the planning and design activities required to execute the replacement of the existing Defense Satellite Communication, MILSTAR, and UHF follow-on systems. Looking further into

the future, technologies that will provide exponentially increases in throughput, security, and responsiveness are also being studied. The National Security Space Architect has been tasked to examine space assets, while another task group is developing an information superiority investment strategy. Both groups are reviewing the shortfalls and are providing the recommendations that span the DOD information handling enterprise.

Terrestrial capabilities include: wireless radios; base infrastructures; connection points between SATCOM and terrestrial network nodes; and the wide and local area connectivity networks over which the multitude of applications and command and control networks traverse. We are experiencing shortfalls in the fielding of modern tactical and intelligence data link equipment into combat platforms, and recognize the need to accelerate these efforts. High priority is being placed on programs such as the Joint Tactical Radio System, the Navy-Marine Corps Intranet, DOD teleports, the Defense Information Systems Network, and a variety of programs to improve infrastructure and deployed network security.

We are also studying the use of UAVs to mitigate the challenges to wireless systems caused by environmental effects and by international regulatory constraints. The use of UAVs as airborne communications nodes, to bridge the wireless gap between satellite and terrestrial communications systems, is being investigated carefully.

MASINT is an important collection discipline that offers critical insight to adversary developments in science and technology, weapons of mass destruction, and other activities of military significance. New sensors and deployment schemes are being examined that could provide important intelligence information to military commanders on the battlefield as well as to decision-makers assessing foreign leadership intentions.

HUMINT provides a unique collection capability and provides human insight where technical collect falls short. Enhanced HUMINT will further enable IMINT, MASINT, and SIGINT efforts against critical hard to access targets and will enhance support to military operations.

Finally, intelligence analysis must transform from industrial age business processes to a global virtual work environment enabling greater analytic coverage. Key to this transformation is personnel with the right balance of technical and analytical skill-cross discipline accountability; analytic and visualization tools; threat modeling capabilities; and easily accessible data repositories and interoperability to allow rapid data sharing among intelligence producers and with consumers.

SATELLITE COMMUNICATIONS CAPABILITY AND INTELLIGENCE

140. Senator ALLARD. Secretary Rumsfeld, do you have sufficient satellite communications capability?

Secretary RUMSFELD. The nine Unified Commanders have consistently reported significant shortfalls in both SATCOM and terrestrial capabilities to the Chairman of the Joint Chiefs of Staff via the Joint Monthly Readiness Review. The shortfalls, and recognition of the need to protect our critical infrastructures including critical information networks, prompted the issuance of Presidential Decision Directive 63 in May 1998. The Department continues to work solutions to these shortfalls aggressively.

Base communication infrastructures are being upgraded, keeping up with technology is presenting the Department with challenges. The transformed force structure is expected to be more reliant on the home garrison than in the past therefore the ability to reach back into the base infrastructure becomes more important to its responsiveness. We are looking at the effects that will have, not only in the capability to exchange information, but also in the area of protecting that segment of the information infrastructure against attack.

141. Senator ALLARD. Secretary Rumsfeld, what must we do to ensure we have the capacity and flexibility to support our intelligence and communications requirements in the next 5 to 10 years?

Secretary RUMSFELD. Evolution of a defense surveillance architecture of integrated surveillance platforms, networks, and databases is a top priority for meeting DOD requirements in the next 5 to 10 years. The Department is currently implementing a surveillance integration initiative to integrate both airborne and space surveillance systems. We must add new collection capabilities, such as the proposed Space Based Radar system, and succeed in our plan to accelerate fielding of the Global Hawk UAV equipped with Multi-Platform Radar Technology Insertion Program capability. Non-technical integration must be included to capture sources of

information such as HUMINT, open source intelligence, and counterintelligence systems.

It is critical that we continue ongoing efforts to improve collection. This includes sensor developments such as hyperspectral imagery and chemical/biological ground sensors; and platform developments such as stealth and tactical UAVs. We must deliver the future communications architecture, which will allow individual collectors and ground processing elements, DCGS and MGSSs to inter-operate and relay data more efficiently and effectively.

Finally we must concentrate on resolving shortfalls in skilled personnel. We need to hire, train, and retain personnel to enhance the intelligence community's depth and breadth—those people with the right balance of technical and analytical skills. The future workforce must be flexible and capable of working in the fast-paced virtual work environment as well as focusing on key challenges such as information operations, proliferation of weapons of mass destruction, and terrorism.

Force transformation cannot occur without communication systems that enable superior situational awareness and support timely command and control of forces. In order to achieve that superiority, two changes in approach are essential: (1) we must treat information system capabilities as if they are weapons systems, rather than as ancillary support tools to warfighting; and (2) we must accept the fact that incremental enhancements will not deliver order of magnitude improvement in capability required.

To meet our communications requirements in the next 5 to 10 years we must continue current efforts to develop an integrated architecture and achievable roadmap for the acquisition of communications satellites. Replacement of the existing communication satellite constellations, MILSTAR, UHF follow on, and the Defense Satellite Communication System must remain a priority. We must ensure, as we become increasingly reliant on a commercial communications market characterized by international partnerships and consortia, that we avoid denial of service issues that potentially arise in such arrangements.

In concert with new platform acquisitions and expanded use of commercial communications, we must continue our dedicated efforts to deliver the Global Information Grid (GIG). The communication systems, computing systems and services, software applications, data, and security services comprising the GIG provide the force structure the ability to decisively maintain information superiority over real and perceived adversaries.

We must also continue crafting and enforcement of interoperability mandates within DOD. Interoperability efforts to date have dramatically improved cross service connectivity. Work must deliver on key interoperability initiatives such as the Global Command and Control System, the Defense Messaging System, and Cooperative Engagement Capability. We must also continue and strengthen interoperability efforts with alliance partners. The inclusion of allies in the annual Joint Warfighter Interoperability Demonstration events, the establishment of the Combined Federated Battle Lab Network, and the generation of coalition wide area networks are good beginnings, we recognize the need to foster similar efforts on a larger scale.

142. Senator ALLARD. Secretary Rumsfeld, how should commercial imagery be incorporated into our national strategy?

Secretary RUMSFELD. The National Commission for the Review of the National Reconnaissance Office, the Independent Commission on the National Imagery and Mapping Agency, and the Commission to Assess United States National Security Space Management and Organization recommended that the U.S. Government take a fresh look at its strategy for using the U.S. commercial remote sensing industry to satisfy some of its geospatial and imagery information requirements. The Director of Central Intelligence and I agree that an effective U.S. Government commercial imagery strategy is necessary and have initiated a thorough review of the strategy being developed by the Directors of the National Reconnaissance Office and the National Imagery and Mapping Agency. This review will be conducted with the advice of an outside panel and will include the government's future use of commercial imagery, how we acquire it, and how we should incorporate it into our intelligence products.

HIGH OPTEMPO

143. Senator ALLARD. Secretary Rumsfeld, how are you going to reduce the effects of a high optempo?

Secretary RUMSFELD. We are taking initiatives to lessen the negative impacts of high individual optempo, for instance, providing predictability in deployments when

possible, re-looking time required for pre-deployment training work-ups and post-deployment maintenance, and implementing organizational initiatives like the Air Force Aerospace Expeditionary Forces, and considerations for post-deployment assignments.

FORCE STRUCTURE

144. Senator ALLARD. General Shelton, do we need an increase in force structure? General SHELTON. U.S. military force structure should be shaped and sized so our forces can successfully execute the National Security Strategy. Sufficient force structure provides the National Command Authorities with the flexibility to employ military forces effectively as an instrument of national power. It also ensures that the men and women of our Total Force, both Active and Reserve, have the capacity, depth, and readiness to perform their required missions at acceptable levels of perstempo and optempo. A mismatch between strategy and force structure can result in excessive perstempo and optempo as well as rapidly aging equipment. In recent years we've had to monitor these metrics closely as force structure levels were reduced while the level of military commitments increased.

Current force structure levels are a function of current and future threat assessments, our strategy, required capabilities, resource allocation, and risk analysis. These forces are vital to the success of our war plans. Changes to force structure can be driven by any number of circumstances, including changes in U.S. national interests, changes in strategy and future threat assessments, and changes in treaties or other types of security agreements. OSD's QDR is examining all aspects of U.S. defense strategy, current force structure, and risk, with a goal of balancing the strategy with the force structure required for its execution. QDR findings will drive any required force structure changes.

QUESTIONS SUBMITTED BY SENATOR TIM HUTCHINSON

VIEQUES

145. Senator HUTCHINSON. Secretary Rumsfeld or General Shelton, last week, the Navy announced that they would stop using Vieques as a training range. The history of the ongoing dispute is long. This subject came before the committee last year when Secretary Cohen testified.

While testifying before the Seapower Subcommittee on this issue, Vice Admiral Daniel Murphy delivered what I believe to be the most compelling testimony that this committee has heard regarding Vieques.

When asked to describe in practical terms what effect the loss of Vieques will have on our deploying Navy and Marine Corps forces, the Admiral replied: "Sir, it is going to cost American lives. That has to be understood from the outset . . . Whatever the other merits to the two sides of the argument, I would just ask that the parties keep in mind that the consequences ultimately is placing our airmen, our marines in a higher risk than is necessary. It is going to cost American lives."

Is this still the case?

General SHELTON. The real issue is effective training for our men and women in uniform. If we do not have available the training capabilities Vieques now provides and don't replace it, then we will be putting sailors and marines at risk. With the innovative use of new methods, places, and technology, it is my sense we should be able to find ways to provide the required training. It may cost more and take longer, but we are committed to ensuring that our forces are effectively trained.

146. Senator HUTCHINSON. Secretary Rumsfeld or General Shelton, is losing Vieques as a training range going to increase the risk to our men and women in uniform?

General SHELTON. We must continue to use Vieques until we have identified and established appropriate training alternatives. The need to prepare our men and women properly for success in combat and to reduce risk is a primary responsibility of military and civilian leadership in the Department of Defense.

QUALITY OF LIFE IN THE DEFENSE STRATEGY REVIEW

147. Senator HUTCHINSON. Secretary Rumsfeld, have you included quality of life needs (pay, housing, healthcare, and infrastructure) in the defense strategy review? Secretary RUMSFELD. We have included each of these areas in our review as well as other areas that also have an impact on our people's lives. Areas such as im-

proved access to education for both members and their families, increased childcare and spouse employment opportunities, and reduced family separation are just a few areas being examined.

148. Senator HUTCHINSON. Secretary Rumsfeld, what are your conclusions concerning the quality of life requirements for our military?

Secretary RUMSFELD. Surveys tell us that military members and their families expect a quality of life comparable to that enjoyed by other individuals in America. The President's commitment to improvement in compensation, housing, and health care will correct some long-standing deficits which will assist our retention efforts. In addition to these much needed improvements we are taking a hard look at the entire quality of life area in our ongoing review. We realize that individuals in today's society—those we enlist—have higher aspirations and have other career choices given the robust U.S. economy. Our transformation efforts will have to recognize this, and provide our future military a quality of life environment that recognizes individual and family needs, engenders personal growth, and allows our members a degree of predictability over their lives.

VACCINE PRODUCTION AND THE BIOLOGICAL THREAT

149. Senator HUTCHINSON. Secretary Rumsfeld, does the defense review consider the biological threat and the need for a vaccine production capability?

Secretary RUMSFELD. Yes, the defense review considered the biological threat in its entirety and there is a total of \$386 million in the milcon defense budget (fiscal year 2002–2007) for construction of a government-owned/contractor-operated (GOCO) vaccine production facility.

150. Senator HUTCHINSON. Secretary Rumsfeld, do you foresee a solution to development and testing of new vaccines to meet the requirements of the future?

Secretary RUMSFELD. The process for research, development, and testing of a new vaccine takes an average of 10–20 years depending on the technological challenges posed by a particular biological threat agent. Of this total time period, the Food and Drug Administration (FDA) portion of the approval process accounts for a significant portion of this total time period. New and continued evolving requirements in the FDA approval process have lengthened the total time required for licensure. Such requirements include development of surrogate animal markers as a substitute for human efficacy, and increased numbers of test subjects required for phase one and two clinical trials to demonstrate safety and immunogenicity of the vaccine.

HEALTH CARE PROPOSAL

151. Senator HUTCHINSON. General Shelton, there have been many changes to TRICARE. Last year we were able to pass legislation to provide health care earned by our military retirees.

How is implementation of TRICARE-for-Life progressing?

General SHELTON. The National Defense Authorization Act for Fiscal Year 2001 directed sweeping changes for the military health system. Congress has provided for a comprehensive health benefit. Overall the new pharmacy program which began April 1, 2001 is extremely successful. The program added 1.5 million new beneficiaries to the TRICARE system overnight and, by all accounts, went off without a hitch. The response from beneficiaries 65 and older has been overwhelmingly positive. The Assistant Secretary of Defense for Health Affairs (ASDHA) has worked very hard to lesson the impact of implementation of this new benefit. ASDHA has formed a Health Issues Team (HIT) comprised of representatives from the Military Coalition and the National Military and Veterans Alliance to ensure implementation of these new initiatives goes as smoothly as possible.

These are historic and great times for military medicine. Medicare-eligible uniformed Service retirees, age 65 and older, will soon have one of the best health care benefits in the world.

152. Senator HUTCHINSON. General Shelton, there have been many changes to TRICARE. Last year we were able to pass legislation to provide healthcare earned by our military retirees. Is TRICARE-for-Life impacting services to other recipients of TRICARE?

General SHELTON. I really think that it is too early to determine the impact on services to other beneficiaries TRICARE-for-Life will have. As you are probably aware, many military treatment facilities (MTFs) are already operating at maxi-

mum capacity serving active duty members and their families. The Assistant Secretary of Defense (Health Affairs) has formed two new TRICARE for Life panels, one senior and one working level, to meet regularly with Health Affairs and TRICARE Management Agency leadership to address issues such as this. Until DOD makes a decision about extending TRICARE Prime to beneficiaries 65 and older, the beneficiaries may continue to use MTFs on a space-available basis.

QUESTIONS SUBMITTED BY SENATOR JIM BUNNING

KOSOVO PEACEKEEPING ACTIVITIES

153. Senator BUNNING. Secretary Rumsfeld, early in this administration, support was expressed for ending our involvement in Kosovo and bringing our troops home. Several months ago, I had the opportunity to visit some of the soldiers from the 101st Airborne at Fort Campbell. They expressed hesitation about their pending deployment to Kosovo and their morale was low. They asked why they were being deployed for peacekeeping activities. They did not believe that was their mission. I plan on visiting the 101st in August. What do I tell them when they ask me when they will be able to come home and when our peacekeeping activities will end?

Secretary RUMSFELD. As part of NATO, we are committed to maintaining a safe and secure environment within Kosovo. This is crucial to the stability of the European region. The NATO coalition is making significant advancements to restoring the stability in the region through force presence and leadership. U.S. troops in Kosovo are integral to achieving a lasting peace in the region. Our men and women are doing an excellent job and are highly respected by the local population and their NATO counterparts. We are very proud of the work they are doing and we hope to reach a point where all NATO forces can go home.

USE OF COMBAT FORCES FOR CIVIL MISSIONS

154. Senator BUNNING. Secretary Rumsfeld, since the end of the Cold War we have seen a stark increase in deployments for humanitarian purposes. This often involves deploying our highly-trained combat forces overseas to dispense food and medicine and perform police functions. Is it wise to use combat forces for civil missions?

Secretary RUMSFELD. There are both positive and negative results from using combat forces for civil missions. Depending on the mission, the positive results include deployment training, training in small unit leadership skills, access to countries previously denied DOD presence, or foreign internal defense training. The negative results include the impact on unit readiness and the turbulence created by short notice, non-combat-related missions.

SPECIALIZED FORCES FOR HUMANITARIAN/DEMOCRACY MISSIONS

155. Senator BUNNING. Secretary Rumsfeld, what plans, if any, do you have to create specialized forces for humanitarian and democracy-building missions?

Secretary RUMSFELD. We currently have no plans to create specialized forces for humanitarian and democracy-building or peacekeeping missions. Once U.S. troops are selected for a peacekeeping operation, they receive training in peacekeeping-specific skills immediately prior to deployment, to supplement their basic combat skills (which are a core competency for all troops in peacekeeping missions).

NATO AND THE EUROPEAN UNION

156. Senator BUNNING. Secretary Rumsfeld, in 1999, the 15 European Union member states agreed at a summit to set up a force that would be able to deploy 60,000 troops within 60 days notice for peacekeeping, crisis management, and humanitarian aid operations lasting up to a year. Can you share with us your discussions with European nations on this issue?

Secretary RUMSFELD. I have stated to my European colleagues that NATO will continue to be the indispensable anchor of American engagement in European security matters and the foundation for assuring the collective defense of Alliance members. I am inclined to support any serious effort to enhance European military capabilities in a manner that complements and reinforces those of the NATO Alliance, embeds EU defense planning within NATO, ensures transparency, and provides a

right of first refusal for NATO. All 23 NATO and EU nations must concentrate on getting the details of this nascent relationship right.

157. Senator BUNNING. Secretary Rumsfeld, would this be a kind of Euro-army? Secretary RUMSFELD. No, the European Union's goal is to establish the autonomous capacity to launch and conduct EU-led military operations, where NATO as a whole is not engaged. This goal is a capability, not a standing army. Moreover, no European nation has the financial resources to have one set of forces for the EU and another for NATO; most forces pledged toward the EU goal are dual-hatted for NATO and the EU.

158. Senator BUNNING. Secretary Rumsfeld, do you see this as undermining NATO in any way?

Secretary RUMSFELD. Not if it is done right. NATO will continue to be the indispensable anchor of American engagement in European security matters and the foundation for assuring the collective defense of Alliance members. The EU has explicitly stated that it has no aspirations for providing collective defense; rather, the EU focuses on a range of crisis response operations.

Therefore, NATO and EU efforts can complement each other. The President and his administration support the European Security and Defense Policy as long as it adds capabilities to NATO, embeds EU defense planning within NATO, ensures transparency, and provides a right of first refusal for NATO. In fact, there is no *a priori* reason why NATO and the EU cannot work cooperatively to build capabilities, maintain operational military effectiveness, and avoid squandering scarce defense resources. Much hard work lies ahead to ensure we make real progress on these three fronts while avoiding an unnecessary and destructive competition between these two distinctive pillars of our transatlantic community.

BASE REALIGNMENT AND CLOSURE

159. Senator BUNNING. Secretary Rumsfeld, the last time we went through a major strategy review, we closed many military installations. Do you believe it is necessary or wise for another round of base closures?

Secretary RUMSFELD. Yes. It is necessary for our total infrastructure to reflect military necessity and efficiently and effectively support our operational requirements. Force structure decisions, changing military missions, and other business improvement initiatives are identifying new requirements and new ways of doing the business of national defense. These changes highlight the need to relocate forces, consolidate missions, and reshape and modernize our infrastructure. While cost savings are important, we will focus on rationalizing our total infrastructure to promote operational readiness and support the force structure and mission requirements resulting from the Department's defense strategy review.

160. Senator BUNNING. Secretary Rumsfeld, if so, what kind of timetable do you see for another BRAC?

Secretary RUMSFELD. The Department intends to forward proposed legislative language, for inclusion in the Fiscal Year 2002 National Defense Authorization bill, that would request authorization for one round of base realignment and closures in 2003, our Efficient Facilities Initiative.

RAPID RESPONSE FORCES

161. Senator BUNNING. Secretary Rumsfeld, with a new defense strategy it is obvious that new tactics and tools will be needed. The ability for a rapid response is certainly one of the most important goals of any new strategy. Will the need for rapid response forces increase the stationing of our forces overseas?

Secretary RUMSFELD. We have not yet made any decisions on changes to the capabilities and posture of our forces. Among the options we have discussed, however, is the creation of rapidly deployable standing joint forces, for forward presence in peacetime and to permit and sustain operations across the spectrum of military missions. The implications of these options for stationing our forces overseas are under discussion. At this point in the review, I am not yet prepared to make a final recommendation.

EXPANSION OF NATO

162. Senator BUNNING. Secretary Rumsfeld, last week President Bush said he wants to expand NATO and allow in more European nations in the near future.

What kinds of support can we rely upon these and other European nations for in dealing with conflicts or incidents that arise in their backyard?

Secretary RUMSFELD. New members of NATO must be prepared to make serious commitments, to include:

- Accepting the responsibilities that come with NATO, including possible participation in an Article 5 defense of another ally.
- The ability to add military value to the Alliance commensurate with each member's size, including the necessary investments in their militaries.
- The ability for all facets of their units committed to NATO operations to be interoperable with allied forces.

It is important to note that European forces represent the lion's share of NATO-led missions in the Balkans. For example, of the approximately 44,000 troops in KFOR, NATO's European and Canadian allies contribute nearly 70 percent, partners contribute over 9 percent, and the U.S. contributes approximately 15 percent. Of the approximately 18,000 troops in SFOR, the Europeans contribute over 80 percent.

ENERGY COSTS

163. Senator BUNNING. Secretary Rumsfeld, the military is suffering from the same increase in energy costs as a lot of us. What option have you explored for leveraging the purchasing power of the Department to reduce costs?

Secretary RUMSFELD. The Department takes advantage of its purchasing power and buys energy commodities in bulk whenever and wherever possible. For instance, the military Services aggregate electricity loads where feasible and have entered into long-term fixed power purchase agreements to obtain better and more stable rates. Our ability to use these vehicles varies across the Nation because Section 8093 of the 1988 Defense Appropriations Act requires DOD to purchase electricity in a manner that is consistent with state law. In states that have not restructured their electricity markets this usually means we must purchase from the local utility at the tariff rate. In deregulated states such as California, however, we have more flexibility. For example, because electricity rates in southern California had fluctuated greatly over the last year, the Navy Public Works Center in San Diego recently entered into a multiyear contract with the Western Area Power Administration to purchase a fixed amount of power at preset rates. Additionally, the military Services have partnered with the Defense Energy Support Center on multiple occasions to aggregate electricity load in states with restructured electricity markets, with multiyear fixed price contracts awarded recently in Maryland and the District of Columbia.

[Whereupon, at 11:25 a.m., the committee adjourned.]

